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## Dollar Rises Sharply as Wall Street Moves Ahead

### But Warnings Emerge That Both Could Dive If Recovery Is Lagging

By Lawrence Malkin  
*International Herald Tribune*

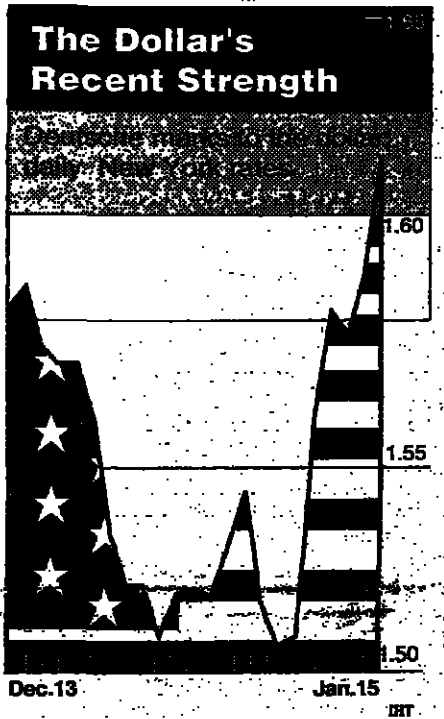
NEW YORK — Driven largely by expectations rather than economic fundamentals, the dollar raced ahead on Wednesday. Stocks also rose after stumbling at the start, and analysts warned that both could take a dive if signs of a U.S. economic recovery did not appear soon.

The dollar, which had rallied 8 pence against the Deutsche mark this year on anxiety about German wage negotiations and Eastern Europe's debts to German banks, picked up another 4 pence in London trading that some dealers described as pandemonium.

The U.S. currency closed at 1.6235 DM, after 1.5930 on Tuesday, and at 127.55 yen, after 126.85.

The dollar moved up to 1.4418 Swiss francs, from 1.4113, and to 5.5420 French francs, from 5.4300. The pound dropped to \$1.7525, from \$1.7845.

On Wall Street, the stock market dipped at the opening after Tuesday's 60.6-point gain on



the Dow Jones industrial average to a record of 3,246.20. Then the Dow picked up 14 points to pull even at midday, but eased slightly to finish 12.30 points higher at 3,258.50.

The blue-chip barometer did not reflect a broader market strength in secondary stocks as investors hunted for anything that would give a better yield than cash.

Sentiment in both foreign-exchange and stock markets shifted dramatically just before Christmas, when the Bundesbank raised interest rates and the Federal Reserve Board cut them aggressively.

To investors and analysts, this was a signal that the United States would definitely pull out of recession this year, making U.S. investments more attractive, and that Germany would slow down with the opposite result for financial markets.

As dollar interest rates fell, small investors piled out of money-market funds and certificates of deposit that yielded their historically high levels of spending money during the 1980s. The money went into stocks, which rose 2.4 percent in the first two weeks of the year despite gloomy economic news.

"People have become yield junkies," said Hugh Johnson of First Albany Securities. "The stock-market fundamentals are not there in the economy, yields and price/earnings ratios. But there has been a powerful, basic shift in assets by individuals and corporations, too, from short-term money into anything that will give them better yields at a longer term. It has set off

See DOLLAR, Page 10

## Gulf Conflict a Year Later: Rapidly Fading Memory

By Eric Schmitt  
*New York Times Service*

FORT HOOD, Texas — The yellow ribbons are gone. The welcoming cheers have faded away. Come Thursday, on the first anniversary of the start of the Gulf War, it will be business as usual at this army post that sent 26,000 troops to Saudi Arabia. No ceremonies. Nothing.

For the American soldier, the Gulf War is a rapidly fading memory, shoved aside by the collapse of the archrival Soviet Union and fears that looming military budget cuts could throw thousands of troops out of work.

"There are guys with 8, 10, 12 years in the service who don't know if their job is going to be around next year," said Sergeant Phillip Barnes, 27, who spent four months in Saudi Arabia and Kuwait as a chemical-weapons decontamination expert.

Overshadowed by world events and soldiers' immediate career concerns, the 43-day war and its 100-hour ground campaign have not been forgotten here. Desert-tan trucks speed around this sprawling installation. The 1st Cavalry Division next month will dedicate a Gulf War wing to its museum featuring

captured Iraqi tanks. In Washington next week, the Pentagon is expected to issue its final report on the war.

In one sense, the war was a great social experiment. More than 541,000 American forces served in the Middle East, including 16,337 single parents and 1,231 married couples — far more than any previous war.

The 35,000 American servicewomen performed so well that Congress last summer lifted a 47-year-old ban against allowing women to fly combat missions. About 106,000 reservists stepped out of their civilian jobs to fly cargo planes, purify drinking water, police ports and perform dozens of other tasks.

It was a war that cost \$61 billion — \$7 billion paid by the United States and the rest by allies around the world. It was a war that cost 146 American lives in combat, including 35 accidentally killed by fellow Americans. Of the 467 U.S. troops who were wounded, 72 were inadvertently hit by American forces.

After the Gulf War, the military is shrinking to 1.6 million people in 1995 from about 2 million troops now. Bolstered by the recession, military recruiters say they can be more picky in filling their smaller quotas. More people want to re-enlist than there are spaces available, Pentagon officials estimate that 85 percent of the 435,000 active-duty forces that served in the Gulf are still in the military.

Pentagon personnel planners are trying to trim the ranks through attrition, but layoffs seem inevitable. Blacks and other minorities, who have historically relied on the military as a socioeconomic ladder, will most likely be hardest hit.

"Sixteen years in the army, and today there's just a lot of uncertainty," said Staff Sergeant George W. Lassiter, 45, a medic who served with the 2d Armored Division's Tiger Brigade, whose tanks rolled into Kuwait.

For those who trained for battle but stayed home for the war, there is some resentment toward those who did go. The telltale desert-camouflage uniforms have been retired here for morale's sake in favor of the traditional dark-green fatigues. Only a small combat patch worn on the right shoulder sets the two groups apart sartorially.

Gulf veterans say they are sensitive to this and tend to share memories — eating Thanksgiving dinner in a sandstorm, enduring swarms of desert flies, shivering through months of cold showers — only when asked or when privately reminiscing with war buddies.

"We don't want to flaunt it and alienate those guys who didn't go," said Sergeant Peter Schumacher, 25, a military policeman who also fought in the U.S. invasion of Panama in 1989. "All that would do is make enemies."

At home, some marriages — many already breaking up before the war — snapped under the strain of separation. Others were strengthened.

"This war really brought me closer to my family," said Sergeant 1st Class Ruben Cavazos, 42, an artillery specialist in the Tiger Brigade. "When you don't know if you're going to come back alive or not, you think about them more."

For many army veterans on the verge of retirement, like Sergeant Cavazos, the war crowned a 20-year career. For others, the

See GULF, Page 2

## Bonn Claims Recognition Will Help End Yugoslav War

### German-Led EC Drive Puts an Effective End To Balkan Federation

By Joseph Fitchett  
*International Herald Tribune*

European Community governments recognized the independence of Croatia and Slovenia on Wednesday, effectively ending any prospect of preserving the Yugoslav entity founded in 1918.

Germany claimed that the EC action was a triumph for Bonn's diplomacy and would improve the outlook for settling the civil war in Yugoslavia and stabilizing the Balkans.

In their public statements, governments were silent about the borders of the new states because Croatia territory occupied by Serbian-led forces is involved in the peace initiative led by the EC and monitored by the United Nations Security Council.

Unanimity was achieved only at the last minute among the 12 EC governments on recognition for Croatia, whose status is more controversial than that of small, ethnically homo-



A Jewish settler in a mobile home greeting a visitor at Nabi Sammel, one of four settlements that militants tried to establish in the West Bank. Israeli troops arrested 24 settlers and removed mobile homes at two sites and said the others would have to go. Page 2.

## Baker Steps In As Peace Talks Teeter on Brink

Compiled by Our Staff From Dispatches

WASHINGTON — Secretary of State James A. Baker 3d, renewing active U.S. involvement in Middle East peace talks, met Wednesday with delegations to the talks to prevent the collapse of the negotiations.

Palestinians warned that the talks could fall apart because of Israel's refusal to freeze settlements in the occupied territories.

Mr. Baker stepped in and met with the heads of the Israeli, Palestinian and Jordanian delegations, urging the parties to keep up the peace momentum.

Under pressure, Israel's ambassador to Washington, Zalman Shoval, announced that his country's negotiators would stay in Washington until noon Thursday instead of leaving Wednesday night as planned.

But this was the only sign of goodwill as the delegates bickered in private and public over the venue for the next round of talks, human rights, terrorism and, most of all, Israel's drive to settle Jews in the West Bank and Gaza Strip.

In Jerusalem, a far-right party announced that it would withdraw support from Prime Minister Yitzhak Shamir because of the Middle East peace talks, bringing the government close to collapse.

The leader of the far-right Tehiya Party, Yuval Neeman, said on Israeli television that the party was leaving Mr. Shamir's coalition over the issue of Palestinians' being offered limited autonomy at the peace talks.

"We are leaving the government in order to prevent the autonomy which is, from the beginning, actually a Palestinian state," Mr. Neeman said.

He added that the party would officially withdraw on Sunday. The move would leave

See TALKS, Page 2

geneous Slovenia. Both Britain and France had objected strongly to this diplomatic initiative as a precedent that could encourage ethnic extremism elsewhere in Europe.

The joint action, officials said, reflected a wish by European leaders to show a united front for a policy imposed by Germany. They added that the decision was made easier by the breakup of the Soviet Union, which serves as something of a precedent for Yugoslavia's disintegration.

Foreign Minister Hans-Dietrich Genscher of Germany said Wednesday that his government's view on Yugoslavia "has proved correct" because European acceptance of Croatian independence meant that the leaders of the Serbian-dominated Yugoslav Army had to rethink their attempts to prevent Croatian secession by force.

Germany's decision to recognize Croatia, announced unilaterally in December, was accompanied by strong pressure on other governments to follow its lead. Austria and Switzerland also recognized Croatia and Slovenia on Wednesday.

The international shift will almost certainly force Washington to follow suit eventually, but a U.S. spokesman in Bonn said that the Bush administration was continuing to withhold recognition "at the present time." The phrase seemed to indicate that Washington was waiting to assess the result of the EC action on the warring parties in Yugoslavia.

U.S. officials have officially German tactics on recognition on the ground that they prematurely destroyed hopes for a negotiated settlement that preserved some form of Yugoslav unity. But the Bonn government contended that, after so much bloodshed, Yugoslavia could not be salvaged and that only recognition of Croatia would persuade Serbian leaders to halt the fighting.

Mr. Genscher said in an interview broadcast in Germany that "for the first time we have a cease-fire that has held for some time" in Yugoslavia. But officials in other capitals said that the new German-led Western policy still faced the test of whether the EC step would trigger a military escalation.

One question is whether the influx of political and economic support that will follow recognition will prompt President Franjo Tudjman of Croatia to seek to wreck back territory occupied by Serbian militia and Yugoslav Army forces.

Despite Mr. Genscher's claims that German diplomacy had persuaded other EC governments to follow Bonn's lead, French and British officials said privately that Chancellor Helmut Kohl had made Paris and London acquiesce in his views as repayment for his concessions to President François Mitterrand and Prime Min-

See EUROPE, Page 2

## Germany on Aiding Ex-Soviets: Let's Share the Burden

By Marc Fisher  
*Washington Post Service*

BERLIN — Germany plans to deliver a blunt message next week in Washington at the 60-nation conference on aiding the former Soviet Union: If the United States, Japan and the Gulf states are not ready to put up big money, then there is nothing to discuss, the German foreign minister, Hans-Dietrich Genscher, will say.

"The current relationship, in which 90 percent of the bilateral aid to Russia is from Germany, is nothing less than sick," a top German Foreign Ministry official said. "If the United States, Japan and the Gulf states won't give substantial aid, then what are you going to coordinate in Washington — the German aid?"

Germany claims to be the source of more than 70 percent of all Western aid to the newly independent republics of the Commonwealth

of Independent States. The 90 percent figure comes from Russia's own aid coordinators, a German government spokesman said.

Using some of the sharpest language German officials have directed at their Western partners in recent memory, a Foreign Ministry source said the success of the Washington meeting lay in Secretary of State James A. Baker 3d's hands.

"What we are looking for is burden-sharing," the source said, using the term U.S. politicians have used to press Europeans to pay more of the cost of defending the Continent. Noting that Europeans have traditionally been unconcerned with U.S. demands for more military spending, the source mentioned "burden-sharing" again and added, "It's always painful when you turn it around, isn't it?"

Germany has pledged or delivered more than \$35 billion to Moscow in the last two years, most of it to pay for the removal, retraining and

relocation of the 370,000 troops that the Soviet Union had in East Germany when it was reunited with West Germany. In food aid alone, Germany has promised more than \$1.2 billion to the former Soviet republics.

In addition, the European Community agreed at its summit meeting last month to grant the Commonwealth republics \$200 million in humanitarian aid and to extend the republics \$1 billion in credits toward food. This week, however, the Community suspended about half of that credit while it tries to work out financial relationships with the new republics.

Germany is not alone in its misgivings about the Washington conference. Other European

countries, angry that the United States has left the question of aid largely to the Community, have expressed their skepticism; the French, for example, were initially reluctant to attend the session.

German officials said they would direct their message not only at Washington and Tokyo, but also at Saudi Arabia and other Gulf states.

"This is our immediate neighbor we are talking about, if you look at the Central Asian republics," a German Foreign Ministry official said. "This should be as important and close to them as it is to us."

In addition to seeking new pledges of aid, the Germans hope to use the conference to push for better means of getting relief to the beneficiaries. The current system, which relies largely on German military aircraft, is too expensive and

See AID, Page 2

### Kiosk

#### A U-2 Goes Down Near Korean DMZ

WASHINGTON (AP) — A U-2 spy plane went down in the Sea of Japan off South Korea during a reconnaissance mission Wednesday night near the Demilitarized Zone, U.S. officials said. The incident "was not due to a hostile act," said a Pentagon spokesman. The fate of the pilot was not known.

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Up 12.30	Patrick Buchanan muzzes no words in his New Hampshire campaign. Page 3.
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The Dollar vs. New York	
DM 1.6235	
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### LEISURE

#### Tomorrow

George Bernard Shaw was "too busy with more important things," but few have refused an invitation to discuss their favorite music on "Desert Island Discs." For its 50th birthday, the radio show invited Prime Minister John Major. Barry James reports.

Crossword Page 12

## Bush on Campaign Trail: Doing Whatever It Takes

"I will do what I have to do to be re-elected."  
— George Bush, Dec. 23, 1991

By Ann Devroy  
*Washington Post Service*

WASHINGTON — A dozen years ago, running for the Republican presidential nomination as the moderate alternative to Ronald Reagan, George Bush scoffed at the promises of Mr. Reagan's economic plan. Big tax cuts, balanced budget at the same time added up to "woodoo economics," a bunch of "phony promises," Mr. Bush said, adding "I don't believe it."

Three months later, as the vice presidential nominee on the Reagan ticket, Mr. Bush became a supply-side believer, a conversion that was a critical part of an ideological make-over that has characterized Mr. Bush's political career.

The same kind of transformation occurred in the winter of 1988, when Mr. Bush shucked the imperial trappings of the vice presidency, became a rabid tax-cutter and stressed his devotion to the common people of New Hampshire to win the state's primary. That fall, in time for the general presidential election, he discovered Willie Horton, the Pledge of Allegiance and the evils of the American Civil Liberties Union as he remade himself for the contest with the Democratic nominee, Michael S. Dukakis.

With the 1992 campaign under way — Mr. Bush embarked Wednesday on what the White House press secretary, Marlin Fitzwater, de-

scribed as an "all political" day campaigning in New Hampshire — the latest election-year makeover has begun.

Its most visible component has been the president's changing definition of his foreign policy goals: from leading the "new world order" that he foresaw after the Gulf war to guaranteeing the nation's economic security through trade missions like the one he led to Japan last week.

The long-scheduled mission to Asia was hastily reconfigured in December after public-opinion polls indicated that Mr. Bush's foreign travels were deeply resented by Americans. He should spend more time on the nation's faltering economy and other domestic issues, they said.

Mr. Bush went ahead with the trip, but radically changed the emphasis. Instead of focusing on the security relationship with Japan, the visit became a search for "jobs, jobs, jobs."

His policy shift on trade was not the only one. After preaching the evils of the deficit for much of his presidency — and joining in a politically harmful 1990 budget accord that increased taxes to reduce the deficit — Mr. Bush this year is most likely to propose a middle-class tax cut despite its effect on the deficit.

Bush aides concede that few economists re-

See BUSH, Page 3



Klaus-Peter Klaiber of Germany, left, and Hroje Sarinc of Croatia, signing the accord Wednesday on German-Croatian relations.



U.S. 'Tutor' Advising Patience for Russians

By Francis X. Clines

New York Times Service

MOSCOW — The Russian government's chief foreign tutor in the ways of free-market economics offered the nation a supplementary lesson on Wednesday in hard-nosed politics.

Jeffrey Sachs, a Harvard economist being viewed here amid the ashes of communism as both dark wizard and enlightened missionary, demonstrated to his patrons that one way to deal with the rising criticism of President Boris N. Yeltsin's price reform program was to attack Russia's central bank and parliament as the real culprits in warring rubles.

"It's too easy to prey upon the confusion of the people," Mr. Sachs said at a news conference designed to present an early and forceful rebuttal of the growing criticism by the public and by political rivals of Mr. Yeltsin's painful price rise program.

The economist, speaking to a nation that traditionally looks for simpler, patriarch-oriented executive politics, sought to make the relatively complicated point that the success of the price rises and free-market innovations introduced on Jan. 2 depends on more than Mr. Yeltsin's government.

At least as important, he said, were the roles of a central bank that he criticized for maintaining the old credit and money-printing excesses of communism, and on a parliament that he said hesitates to tighten the national budget and raise necessary taxes.

After declaring independence from Yugoslavia in June, Croatia was quickly sucked into the most violent and most destructive war that Europe has witnessed since World War II.

It was a civil war against an ancient ethnic enemy, Serbia, against whose formidable military machine Croatia was ill-prepared and outgunned. By most measures of armed conflict, Croatia has disastrously lost the war that won it recognition.

"This is a most peculiar war, in that everybody involved lost," said Slavko Goldstein, a former mayor of Zagreb. "I think that everybody should surrender."

The war sealed the end of the 73-year Yugoslav federation, crippled the economy of Serbia and has politically weakened its hard-line Communist president, Slobodan Milosevic.

The Serb-dominated Yugoslav federal army, and a car in which six settlers and an Arab were wounded.

Immediately after that attack, a settlers' council demanded that Israel end peace talks with its Arab neighbors, which have resumed in Washington.

Five carloads of settlers stoned the house of a leader affiliated with a Palestine Liberation Organization faction that they blamed for the ambush.

Gunmen have killed three settlers and an Israeli bus driver in three attacks since October, when the peace talks began in Madrid.

Israeli security sources suspect the gunmen belong to the Popular Front for the Liberation of Palestine-General Command. The Front opposes the talks, but the main-stream Fatah faction of the PLO backs them.

At a junction two kilometers (1.2 miles) from Jenin, the police removed a mobile home and arrested 20 settlers who resisted orders to leave, military sources said.

In Hebron, soldiers carried off but did not arrest dozens of settlers who passively resisted army efforts to remove another mobile home.

At a third site, six kilometers north of Ramallah, the army arrested four settlers who refused to go. Soldiers stationed near a fourth campment at the West Bank tomb of the Prophet Samuel said they were awaiting orders from Defense Minister Moshe Arens to evacuate the site.

Palestinian sources said settlers were still occupying three hectares (7.4 acres) of Palestinian land beside the Gaza Strip settlement of Kfar Darom. Military sources would not say whether they would be removed.

The United States considers the settlement of about 100,000 Jews among the 1.75 million Palestinians in the territories captured by Israel in 1967 an obstacle to peace.



Kiev residents crowding a bank Wednesday to deposit rubles to exchange for new Ukrainian currency to be available in May. They now use coupons to buy goods.

For Croatia, Bitter Price of Recognition

By Blaine Harden

Washington Post Service

ZAGREB — The international recognition that Croatia celebrated on Wednesday with exuberant bursts of machine-gun fire, champagne toasts and flowery statements about ethnic destiny was purchased at a terrible price.

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EUROPE: Step by the EC

(Continued from page 1)

ist John Major in December at the Maastricht summit meeting.

Reversing its opposition to the breakup of Yugoslavia as a step liable to encourage ethnic nationalism and extremism in Europe, France ignored the views of a special EC committee presided over by Robert Badinter, head of France's highest court, that Croatia failed to qualify for international recognition.

Croatia, the EC committee said, offered inadequate safeguards for the Serbian minority on its soil — one of the criteria set by the EC as necessary for a new country to carry out its right to self-determination.

But EC officials said that new pledges expected from Mr. Tudjman would satisfy them.

The committee's findings said that Slovenia and Macedonia both qualified for statehood. EC governments ignored Macedonia's position, mainly because that Yugoslav republic has aroused fears in Greece of potential border strife.

Bosnia-Herzegovina, the fourth Yugoslav republic seeking recognition, was disqualified by the EC committee and ignored by governments. Because both Serbs and Croats have territorial claims in Bosnia, where rival ethnic groups are tightly intertwined, Western governments are hesitant to touch the status quo there.

Alongside their eagerness to stop the bloodshed in Yugoslavia, EC governments are also alarmed about the potential for separatist groups in Western Europe to claim statehood along the lines of independence won by the Baltic states and now by two Yugoslav republics.

But these fears have abated in Spain, Britain and France as the toll of the Yugoslav fighting has become apparent to nationalist groups in Western Europe, EC officials said.

To reinforce this point, EC officials said, both Croatia and any future Serbian state will be excluded from any consideration for EC membership until after the end of the century because of their record of violence.

Agree France-France

ZAGREB — President Franjo Tudjman of Croatia, who has been accused of anti-Semitism in the past, has issued his strongest condemnation to date of the Croatian state created by Nazi Germany during World War II.

In a letter to the president of the World Jewish Congress, Edgar Bronfman, which he made public on Tuesday night, Mr. Tudjman said the Ustashi puppet state had carried out "crimes against humanity."

He noted in his letter that the Ustashi government "brutally persecuted members of the Jewish people and those of other peoples as well as its own opponents."

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Only 10,000 Iraqi Dead? Maybe, General Says

The Associated Press

WASHINGTON — Fewer than 10,000 Iraqi soldiers were killed or wounded in the Gulf war, according to the American general in charge of the air campaign.

His figure is far lower than earlier estimates by the U.S. military.

But the agency said that so "little information is available" to make an accurate estimate that the figures had an error factor of 50 percent or more.

The Iraqis "may have had 10,000, 20,000, maybe 30,000 casualties," General Horner said.

"That's a lot of casualties," he said. "But it's not nearly the number that some people are touting of 100,000 or 200,000. I just don't believe that. And I think the eyewitness accounts on the battlefield support probably less than 10,000 casualties."

General Horner estimated that on the eve of the war, there were 400,000 Iraqi troops.

Desertions, he said, may have brought that down to 200,000 during the war. The allied coalition took 87,000 prisoners.

That and other factors led him to his conclusion.

"We didn't find any mass graves," he said. "We didn't find any large numbers of people dead from attacks."

The U.S. military remains insistent on staying away from estimating Iraqi casualties.

"We've never been able to come up with any kind of an estimate that we have confidence in," said a Pentagon spokesman, Bob Hall.

object told a House of Commons committee Wednesday that the governments of the United States and Britain knew all about the project two years before they acted to stop it.

The British engineer, Christopher Cowley, testified that he and the late Gerald Bull, founder of the project, told U.S. officials in March 1988 about the project and other military and scientific work that Mr. Bull's Brussels-based firm, Space Research Corp., was doing for Iraq.

Mr. Cowley also said he believed that the Mossad, Israel's intelligence service, was behind the killing of Mr. Bull, who was shot in Brussels in March 1990. He speculated that the CIA must have been tipped off by the Mossad and thus had acquiesced in the assassination.

CIA sources have denied the agency had any advance knowledge of the killing.

Israel Arrests 24 Trying to Settle on West Bank

Reuters

DOLEV, Israeli-occupied West Bank — Jewish settlers moved mobile homes Wednesday to sites where settlers have been killed in the occupied territories, but the army removed them at two of the sites and said the three others would also have to go.

At least 24 settlers were arrested when they refused to leave. Most of the sites had been attacked by Palestinians opposed to Israeli rule in the occupied territories.

Armed settlers placed mobile homes at four sites in the West Bank and began expanding an existing community in the Gaza Strip. The moves were in response to an ambush Tuesday on a bus

and a car in which six settlers and an Arab were wounded.

Immediately after that attack, a settlers' council demanded that Israel end peace talks with its Arab neighbors, which have resumed in Washington.

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WORLD BRIEFS

Court Clears IRA Man's Extradition

WASHINGTON (AP) — The Supreme Court cleared the way Wednesday for the deportation to Britain of Joseph Patrick Doherty, an Irish Republican Army member convicted of murder and sentenced to life in a British prison.

Ruling 5 to 3, the justices said Mr. Doherty, 37, imprisoned for more than eight years in the United States while fighting extradition, was entitled to a new asylum hearing. He escaped from prison in Belfast 1981 and fled to New York City, where he was arrested in 1983.

It was not immediately clear whether the process could be slowed by separate appeal Mr. Doherty has made to the high court.

Nazi File Seems to Back Demjanjuk

JERUSALEM (WP) — A prosecutor on Wednesday submitted new evidence to the Supreme Court of Israel showing that the convicted war criminal John Demjanjuk served in the Nazi SS as a camp guard during World War II, but the evidence appeared to bolster arguments by Mr. Demjanjuk's defense that he was not the sadistic guard at the Treblinka camp known as "Ivan the Terrible."

The documents, from German archives, placed Mr. Demjanjuk at the Flossenburg concentration camp in Germany. The prosecutor, Michal Shaked, said they proved Mr. Demjanjuk had lied when he testified that he had not been a member of the SS and had spent the war in a prison camp. Mr. Demjanjuk is appealing his conviction and death sentence.

The prosecution also submitted a Nazi personnel file for Ivan Malchenko, a guard who was identified in documents released by the Soviet KGB as being Ivan the Terrible. The file indicates that Malchenko had different personal history than Mr. Demjanjuk. Mr. Shaked did not explain why he introduced the file or what he would use it to prove.

Hint to Seoul on Ending Communism

GENEVA (Reuters) — A senior North Korean diplomat said Wednesday that his country wanted national unity through confederation with the South, while retaining their present social systems. But the diplomat, Ambassador Ri Tcheul, the head of Pyongyang's mission to the European headquarters of the United Nations, left open the possibility that all Korean people might one day live under an administration that was not Communist.

"Since the North and the South have agreed to recognize and respect each other's systems, it is quite natural to reunify the country in the form of a confederation on the principle: one nation and one state, two systems and two governments," he said.

"But in the end the people themselves will decide whether they all want to live under one system and what it will be," said the envoy. "We do not want to say the future of the country will be socialist. But it must be united, neutral and nonaligned and living at peace with its neighbors."

Cambodia Frees Political Prisoners

PHNOM PENH (AP) — The Vietnamese-installed government opened a notorious political detention center to international observers Wednesday and freed 290 detainees who had endured years of brutal treatment. "We were tortured, punished — everything," said a man, 48, who would only identify himself as Sokha.

It was the first time the government had released such prisoners under the supervision of the International Committee of the Red Cross. Immediate, complete and supervised releases were mandated in the peace accord that the government signed in October to end the war. But Phnom Penh had been slow to carry out the pledge.

During the ceremony, Prince Norodom Sihanouk said the government has "promised me to release everyone, political prisoners and war prisoners. But there still remain others in jail."

Scientists Retract Discovery of Planet

LONDON (Reuters) — British astronomers who last year announced the discovery of the first planet outside the solar system now say their find was actually a mathematical error, and no such planet exists.

The retraction, being published in a letter to Nature on Thursday, came a week after U.S. scientists announced the discovery of two other planets using the same mathematical method. In July, Andrew Lyne and colleagues at the Royal Bank observatory in Britain reported in Nature what seemed to be the first evidence of a planet associated with a star other than the Sun. But the scientists said they forgot to factor in the departure of the Earth's orbit around the Sun from a strictly circular pattern.

For the Record

The Ulster Freedom Fighters, an outlawed Protestant paramilitary organization, claimed responsibility Wednesday for killing a Protestant builder outside his home on the outskirts of Belfast, asserting that the victim, shot and killed Tuesday night, was a police informer.

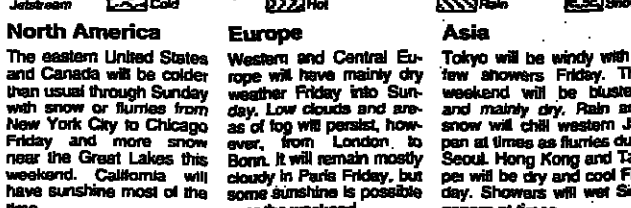
A former Spanish secretary of state, Manuel Brosseta Pont, 60, was shot and killed by unidentified gunmen Wednesday in Valencia as he walked to work at the University of Valencia law school.

TRAVEL UPDATE

Tourism became France's biggest industry last year with a record number of visitors and turnover. Tourism Minister Jean-Michel Baylet said Wednesday. "Despite pessimistic expectations due to the Gulf War, tourism continued to expand last year and France is now the most visited country in the world." There were 52 million visitors, about equal to the population. Turnover rose to 620 billion francs (\$113 billion) from 588 billion francs in 1990, which made it the largest contributor to the gross domestic product.

South Korea and Vietnam resumed direct air flights Wednesday after 19 years. A spokesman for Air Asia Airlines of South Korea said his company began chartered flights from Seoul to Ho Chi Minh City. He said seven more flights would take place by the end of next month.

The Weather



Tables providing weather forecasts for various regions: North America, Europe, Asia, Africa, Latin America, and Oceania. Each table includes columns for Today, Tomorrow, and High/Low temperatures.

At Empty Stores, Yeltsin Delivers Promises of Food

New York Times Service

ST. PETERSBURG — Boris N. Yeltsin touted the docks and empty stores of St. Petersburg on Wednesday in his campaign to maintain the patience of a people sorely tested by soaring prices and unrelated shortages.

Drawing instant and divided crowds wherever he stopped, the Russian president issued the same mix of stern threats, appeals for initiative and promises of sausage that he had carried this week to Bryansk, Saratov and other cities in the Russian provinces.

"This year will be difficult for all of us," Mr. Yeltsin shouted over a portable loudspeaker to a pressing throng outside a food store on Vasiliyev Island, in which only butter was left and that at a price few could afford.

"We were held up because all these seventy-four years we were changing a deep pit. If we had waited one year and a half we would have been buried. I know it's difficult now, but these are difficult times. I know it's difficult times."

GULF: A Year Later, War Has Lost Its Glitter as GIs Worry About Jobs

(Continued from page 1)

combat experience was an invaluable mid-career lift. Many soldiers, though, worry that overzealous trimming will weaken the army and damage its credibility with the all-volunteer force.

"I came in on my own," said Sergeant Barnes. "I'd like to leave on my own."

Iraqi Supergun Designer Testifies

Glen Frankel of The Washington Post reported from London: The chief designer of Iraq's supergun was be-

AID: 'Burden-Sharing'

(Continued from page 1)

should be replaced by train distribution, the Germans say.

The German aid effort has not been without its problems. Of approximately 80,000 food and medicine packages shipped to Russia in the last two months, only about 10,000 reached their goal, according to Cap Anamur, a German relief organization. The German press has been teeming with reports of Russians who have been able to illegally siphon aid packages.

German banks, meanwhile, have started stocking their reserves to cover themselves against a possible halt in payments on German loans to the former Soviet government.

The Soviet Union owed foreign banks and governments \$60 billion to \$70 billion — more than a third of it to Germany — when the country ceased to exist last month. Although the successors to the Soviet state bank have maintained good records, the major German banks have set aside portions of their profits as insurance.



# A Pugnacious Buchanan Minces No Words in Campaign to Rouse Rightist Votes

By Maureen Dowd

**MANCHESTER, New Hampshire** — The candidate of political incorrectness was on a tear. Speaking to a packed auditorium of largely appreciative Dartmouth students in Hanover, New Hampshire, the other night, Patrick J. Buchanan called Deng Xiaoping, the Chinese leader, an "83-year-old chain-smoking Communist dwarf."

He skewered Charles Black, the Bush campaign strategist who has been lobbying for a Japanese consortium seeking U.S. business, as "a geisha girl of the new world order."

He mocked Jack F. Kemp, the secretary of housing and urban development who has been the administration's chief proponent of the poor and minorities, saying he had "gone native."

To a young woman who complained about his jagged edge, Mr. Buchanan replied: "In this campaign, I have been called an anti-Semite, a

homophobe, a racist, a sexist, a nativist, a protectionist, an isolationist, a social fascist and a beer hall conservative. And then Sam Donaldson had the nerve to the Brinkley show to ask me if I was insensitive, too. I am none of the above."

His inflammatory comments on sensitive issues — from immigration to Israel to the homeless to foreign trade — are not gaffes. They are, in a way, the whole point of his "America First" campaign.

Over the years — he is 53 — through his newspaper columns and television commentary, Mr. Buchanan has become a wealthy celebrity by wrapping his rightist views in spicy rhetoric.

Indeed, he is well-heeled enough to drive a Mercedes and wear a Hermès tie — possessions that might go better with a "Germany First" or "Europe First" campaign.

The brawling Irish Catholic teenager from Washington, who grew up in "a world of clarity and absolutes" where his father's "political

holy trinity" was Franco, Joseph R. McCarthy and Douglas MacArthur, has turned into a brawling candidate seeking the presidency, or more realistically, the leadership of the conservative movement.

"There is no conservative party in Washington today," Mr. Buchanan says. "There is a one-party government. The big government Republicans and the big spending Democrats have gotten together to raise taxes the country didn't want, to vote quotas the country didn't want, to vote Congress a 40-to-50-percent pay raise that everybody in America said they didn't want."

Certainly, his strength is that he offers no weasel words. He says things that many Americans believe but are reluctant to say except in private.

But many prominent conservatives and even some friends and admirers are troubled by evidence that Mr. Buchanan may be a disturbing reincarnation of an old-fashioned Know Nothing American nativist rabble-rouser ap-

pealing to Americans' baser emotions. His campaign slogan, "America First," goes back to an isolationist movement before World War II, several of whose leaders were considered German sympathizers.

But as he travels about New Hampshire, campaigning for the primary on Feb. 18, it is clear that Mr. Buchanan has correctly gauged voters' deep anger at President George Bush for staying too long at the global ball — "Skull and Bones International," as Mr. Buchanan calls the Bush presidency, referring to the Yale club that Mr. Bush joined as an undergraduate — while middle-class Americans were slipping into a deep recession.

After Columbia Journalism School and a stint as a newspaper writer, Mr. Buchanan honed his pugnacious prose as a speechwriter in the Nixon White House. He also headed communications in the Reagan White House, a center of rightist ideological ferment.

The Boston Globe has characterized Mr. Buchanan as a pioneer of Republican wedge is-

ues. In one memo that he wrote to President Richard Nixon, he said: "There is a legitimate grievance, in my view, of white working-class people that every time on every issue that the black militants loud-mouth it, we come up with more money."

In an article two weeks ago in the National Review, William F. Buckley, an early hero to Mr. Buchanan, said he had reluctantly decided that Mr. Buchanan had made anti-Semitic remarks. It is an assertion disputed by many of Mr. Buchanan's Jewish friends and colleagues.

On economic issues, his critics see a barely concealed animus toward all groups except his own, a pattern that plays upon the fears that take hold in hard times.

"In 1988 George Bush said, 'We're going to create 30 million new jobs,'" Mr. Buchanan tells his audiences. "What he didn't tell us was that they were in Guangdong Province, Yokohama and Mexico."

Recently, on the ABC News program "This Week With David Brinkley," Mr. Buchanan

observed: "I think God made all people good. But if we had to take a million immigrants in next year, say, Zulus or Englishmen, and put them up in Virginia, what group would be easier to assimilate and would cause less problems for the people of Virginia?"

He complains about "a landfill called multiculturalism" and has proposed the "Buchanan fence," a trench along the Mexican border to control illegal immigration.

He says that relentless homeless beggars should be picked up for vagrancy and locked up. He is strictly anti-abortion, even in cases of rape and incest, saying that it would be better to kill the rapist than the unborn baby.

Mr. Buchanan is focusing nearly all his efforts on New Hampshire. His advisers complain that the Republican Party has been trying to block their attempts to get on several states' ballots.

Mr. Buchanan says he will support Mr. Bush in the general election if he loses, as long as Mr. Bush promises to support him, if he loses.

## U.S. Retracts Stand On Algerian Crisis To Stress Neutrality

By John M. Goshko

**WASHINGTON** — The Bush administration, concerned about being viewed as taking sides in Algeria's political crisis, has rescinded a statement that had characterized the assumption of power by a military-controlled council as being in accordance with the Algerian Constitution.

In an unusually swift policy turnaround, the State Department spokeswoman, Margaret D. Tutwiler, said Tuesday: "There is definitely a change from" the position taken by the administration Monday.

Miss Tutwiler had expressed concern Monday about the cancellation of Algeria's parliamentary elections. But at the time, she said that, in the U.S. view, the council's takeover of responsibility for public order after President Chadli Bendjedid's weekend resignation was in accordance with the Algerian Constitution.

Colonel Bendjedid stepped aside, apparently under military pressure, to block fundamentalist Muslim candidates from winning Algeria's first multiparty elections. U.S. officials privately acknowledged that the situation posed potentially delicate problems for U.S. policy, and the initial U.S. reaction was ambivalent.

U.S. officials have felt caught between conflicting policy aims. While they want to support moves toward democracy in North Africa, and the Middle East, they fear that a victory by fundamentalist parties intent on transforming Algeria into a model Islamic state could have anti-Western effects. As a result, the administration temporized by discussing the constitutionality of the Algerian council's actions.

Officials said Tuesday that there had been second thoughts within

the administration about whether the statements Monday had made the United States appear to be siding with the council and its military backers.

The officials noted that the political opposition in Algeria had criticized the council's actions and challenged its constitutionality. Consequently, the officials added, it was decided that a wiser course would be to try to lower the U.S. profile and restate the administration's views in a way that would underscore American neutrality.

"Today our position is going to be that we are not going to interject ourselves in that debate," Miss Tutwiler said Tuesday. "We are not going to take sides on whether they are indeed operating within their constitution or, as the opposition claims, they are not."

She said that the rest of her statement of Monday remained in effect. The statement had also called for dialogue between all sides and expressed hope that Algeria eventually could turn back to democratic elections.

The opposition's charges about unconstitutionality, she said, had "caused the situation to evolve from how we viewed or understood it" on Monday. "That's the only thing that has changed. In light of that, we have decided that we are not going to get into this constitutional debate at all. So there is definitely a change from" the position of Monday.

Other officials said that another reason for the U.S. backpedaling was the realization that the major European countries bordering the Mediterranean — France, Italy and Spain — had said as little as possible about the Algerian situation. "There was a feeling that we were getting too far out in front and that we should get back a bit," said an official who asked not to be identified.

## 3 Parties Condemn Regime in Algeria

By Youssef M. Ibrahim

**ALGIERS** — The three political parties that won seats in the first round of parliamentary elections teamed up on Wednesday to condemn the military-backed government that took power Saturday, accusing it of violating the constitution and demanding an immediate resumption of elections that were canceled.

The attacks came at a time when it appeared the government was floundering as it moved from one failed attempt to another to legitimize its existence.

One of the sharpest condemnations came from Abdelhamid Mehri, secretary of the National Liberation Front, the party that has governed the nation for 30 years.

Mr. Mehri accused his former comrades, most of whom are running the present administration, of taking power illegally and of violating it in violation of the constitution.

The most scathing attack came from Abdelkader Hachani, the acting president of the enormously popular Islamic Salvation Front, who said that "the regime is now on the verge of collapse."

Mr. Hachani warned the government against any attempt to dissolve the fundamentalist party and appealed to the army to stop taking orders from "an oppressive clique which is only interested in satisfying its hunger for power."

After forcing President Chadli Bendjedid to resign Saturday, the current government canceled the results of the first free parliamentary elections and annulled any future parliamentary or presidential elections until at least the end of 1993.

But the government's repeated attempts to present these actions in a legal framework that fits with the constitution have failed.

A constitutional committee of senior former officials refused Sunday to approve Colonel Bendjedid's resignation. The so-called High Security Council, comprising six members of the government, collapsed on Monday.

The government's third attempt, on Tuesday, to name a five-man state council, four of whose members would come from outside the governing group of civilian and

military leaders who took over from Colonel Bendjedid, appeared to be failing too, as an increasing number of respected figures have distanced themselves from it.

So far, women's associations, worker syndicates and the many professional groups that clamored for intervention to prevent Muslim fundamentalists from taking a majority in the parliament in a second round of voting that was set for Thursday appear embarrassed to step in and support the coup.

"These improvisations and hesitations," said Mr. Hachani, whose party has won 188 seats in the annulled elections, "are proof that the government cannot face the people, but is still insistent on being our guardian."

Together with the two other parties — the National Liberation Front, which won 15 seats, and the Front for Socialist Forces, which won 26 — Mr. Hachani said that the elected deputies were the only legitimate power in the country and that they might "exercise their parliamentary privileges," hinting that a government could now be formed by the three parties.

"What has really happened in the past few days is a coup not against the president, but against the Islamic state and the Algerian people," Mr. Hachani said.

Mr. Hachani, 34, spoke at a well-attended news conference in downtown Algiers after reports that he and other senior figures of the movement were in hiding for fear of arrest.

His presence indicated that the movement believes the government to be too weak to crack down on the fundamentalists, as it has vowed to do.

The coincidence of views among the three parties, of which the biggest winner by far is the Islamic Salvation Front with its 188 parliamentary seats, indicated to many analysts that the three were agreed that the current government had to go.

### DEATH NOTICE

**CATHERINE KANE** died January 13, 1992. She is the beloved sister of Theresa (of the IHT's New York office) and John and Raymond Kane. A Mass of the Resurrection will be offered on January 16 at Our Saviour Church in New York City.



**STORM BURIES DETROIT** — A cross-country skier negotiating a snowy street in the Detroit suburb of Birmingham after nearly a foot of snow fell during the area's biggest winter storm in 10 years. The weather was linked to up to 15 deaths in Michigan.

## Iraq Will Quickly Rebuild Arms Program, CIA Chief Asserts

Compiled by Our Staff From Dispatches

**WASHINGTON** — Iraq clearly intends to restore its nuclear, chemical and biological weapons capability and can do so within a few years despite damage from the Gulf War, the CIA director, Robert M. Gates, said Wednesday.

"Iraq will remain a primary proliferation threat at least as long as Saddam Hussein remains in power," Mr. Gates said at a hearing of the Senate Governmental Affairs Committee.

Even with the destruction Iraq suffered during the war, the time needed to rebuild Iraq's nuclear weapons program is measured "in a few, rather than many, years," Mr. Gates testified.

Chemical weapons capacity could be rebuilt in a year or so and biological weapons production could be restarted "in a matter of weeks," he said.

To deliver the weapons, Iraq is believed to still have "several hundred" Scud missiles, Mr. Gates said, adding, "We're having some difficulty finding them."

Mr. Gates testified a day before the first anniversary

of the start of the U.S.-led war on Iraq, and in the midst of criticism of what had been the Bush administration's biggest foreign policy triumph.

While Mr. Gates said the Gulf War clearly set back Iraq's weapons programs, his comments about how quickly they could be restored appeared to underscore criticism that the war had fallen short of achieving many U.S. goals.

Representative Lee H. Hamilton, Democrat of Indiana and the chairman of the House Foreign Affairs subcommittee on the Middle East, said in a Public Broadcasting Service interview that Iran has regained its standing as a regional power, that Arab states have failed to build their own regional security regime, and that Saudi Arabia and Kuwait have failed to move toward democracy.

Halting the spread of mass-destruction weapons is "America's new manifest destiny," said Senator John Glenn, Democrat of Ohio. "Our goal must be to work more closely with other nations to achieve not just a new world order, but a more peaceful world order."

Mr. Gates told the panel that the world continues to see "a steady and worrisome growth in the proliferation of advanced weapons." More than 20 countries have, are suspected to have or are developing nuclear, chemical and biological arms and the means to deliver them, he said.

The United States, he said, is concerned about a "brain drain" of nuclear and other weapons scientists from the former Soviet Union to Third World countries.

Nearly a million citizens of the former Soviet Union had been involved in nuclear weapons programs, he added, although "only a thousand or two" had the skills to design nuclear weapons.

A few thousand had the knowledge and marketable skills to develop and produce biological weapons, Mr. Gates said.

U.S. intelligence, Mr. Gates said, had heard rumors that other nations were trying to recruit former Soviet nuclear scientists, but he had no independent corroboration.

But "this so-called brain drain problem" is the area that "causes us the greatest concern," he said.

"As living conditions in republics get worse and some of these people have no alternative employment or see their families in desperate circumstances, they may be induced to emigrate to some of these countries."

Or, he said, the scientists might stay in place and provide information in exchange for cash.

Mr. Gates said that, based on Soviet scientific collaboration in the 1980s, Cuba, India, Syria, Egypt and Algeria were the most likely to have scientists who would help former Soviet citizens to emigrate.

The CIA chief said it was believed that under foreseeable circumstances the national command authorities of the new Commonwealth of Independent States would be able to maintain effective control over the nuclear arsenal.

But he said there were worries about growing dissatisfaction among military personnel, including those responsible for guarding, operating and maintaining nuclear weapons. (AP, Reuters)

## BUSH: Doing Whatever It Takes

(Continued from page 1)

commend a tax cut as a cure for the ailing economy but that 1992 politics demand it.

Along with the policy shifts, Mr. Bush is already involved in a familiar stylistic change, engaging again in "common man" campaigning. This was characterized by a shopping trip to buy socks, beer-sipping in a Texas bar and stops at diners and lunch counters to mingle with what the White House chief of staff, Samuel K. Skinner, calls "beer-and-burger folks" — people who have been ignored for the last three years.

Campaign aides also promise renewed emphasis on crime, an election-year favorite for Republicans, and a variation of the 1988 social agenda that emphasized Republican adherence to "family values."

None of his positions ever officially change, however, and Mr. Bush becomes irritated whenever the topic arises. Asked in a 1988 campaign appearance what had caused him to change his mind on abortion, which he has come to oppose, Mr. Bush snapped: "Have you ever changed your mind? That's one great thing about intellectual honesty."

### Nonaligned Nations to Meet

**NICOSIA** — Foreign ministers of the Nonaligned Movement are to meet in Cyprus on Feb. 3 and 4 to discuss the movement's future.

sitioning" to better emphasize the president's differences with Democrats and do not amount to actual changes in position. But beginning with his 1964 run for a Senate seat in Texas, Mr. Bush's campaigns have been characterized by substantive shifts on issues justified by the argument that the position had not changed, only the circumstances.

His shifts have been seized upon by political opponents as evidence that he has no basic convictions. His friends have been just as baffled. Members of Skull and Bones, the secret Yale society to which he belongs, said as the 1988 campaign was beginning that despite appearances to the contrary, they were certain that Mr. Bush was not a conservative but a true mainstream moderate Republican.

None of his positions ever officially change, however, and Mr. Bush becomes irritated whenever the topic arises. Asked in a 1988 campaign appearance what had caused him to change his mind on abortion, which he has come to oppose, Mr. Bush snapped: "Have you ever changed your mind? That's one great thing about intellectual honesty."



President George Bush visiting a farm in Stratton, New Hampshire, on Wednesday during a campaign swing through the state.

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## Scandal Hits 2 More Of Miyazawa's Allies

**Compiled by Our Staff From Dispatches**

**TOKYO**—A spreading bribery scandal is implicating more members of Prime Minister Kiichi Miyazawa's political faction, including one of his predecessors, Zenko Suzuki, according to news reports Wednesday.

Mr. Suzuki and a former state minister will be questioned on whether they received part of about 500 million yen (\$3.8 million) that Mr. Miyazawa's former senior aide, Fumio Abe, is alleged to have accepted from a now-bankrupt property developer, Kyowa Company, the Kyodo and Jiji news agencies said.

Mr. Abe was arrested Monday on charges of accepting 80 million yen in bribes from Kyowa while he was state minister in charge of developing Hokkaido Island from 1989 to 1990.

The scandal is threatening the administration of Mr. Miyazawa, who has been in office two months and who has yet to exonerate himself of implication in a 1988 stock-for-favors scandal involving the Recruit Company.

Mr. Abe was charged with providing Kyowa with confidential information on public works projects in exchange for the bribes, part of Kyowa's 500 million yen political donations.

Of the total sum, Kyodo reported, Mr. Abe received 160 million yen as donations for Mr. Suzuki and tens of millions of yen for Jun Shiozaki, a former state minister and director-general of the management and coordination agency.

Mr. Suzuki, who was prime minister from 1980 to 1982, accepted the honorary chairmanship of a private athletic club in Tokyo that was developed by Kyowa and helped the company obtain permission to build a golf course, Kyodo said.

Mr. Abe was believed to have secured cooperation from Mr. Shiozaki in settling a fraud case involving Kyowa and a major trading company, Marubeni Corp., the reports said. Mr. Shiozaki is said to be close to Marubeni.

The Asahi newspaper said that Mr. Abe demanded one billion yen in donations for the Miyazawa faction in January 1990 in exchange for persuading Mr. Suzuki to assume the honorary chairmanship of the athletic club. (AFP, UPI)



**CAPPING CEREMONY**—Ancient court dress headgears are placed on Japanese women who turned 20 during the previous year by a Shinto priest at Tokyo's Hiye Shrine. The cap-placing came during Coming of Age Day ceremonies on Wednesday.

## Korean Hostility Clouds Miyazawa Visit

**By T. R. Reid and Robin Bulman**  
*Washington Post Service*

**SEOUL**—Several hundred demonstrators chanted epithets and hurled eggs at the Japanese Embassy here on Wednesday, underlining the tense reception that is most likely to greet Prime Minister Kiichi Miyazawa of Japan when he arrives Thursday for a three-day visit.

The Korean people's animosity toward Japan, which conquered the peninsula at the start of this century and ran a brutal colonial government for four decades, has been heightened in recent weeks by revelations about one of Japan's ugliest World War II atrocities: the enslavement of the "comfort women."

This was the Japanese term for some 100,000 Korean women who were forced to serve as prostitutes for Japanese soldiers all over the Pacific theater in World War II.

They were women like the one known as "Miss B." In a newly filed legal deposition, she recalls that she was sent to a Japanese naval base on the island of Rabaul at the age of 16. In a church that had been virtually converted into a factory for sex, she was forced to undergo intercourse 10 to 15 times a day, seven days a week, she said.

She was regularly beaten and once stabbed by her "clients," she says. Finally, the Japanese Navy retreated from Rabaul, leaving the Korean woman behind on the jungle island. Eventually, Miss B. returned to Korea, but she was too ashamed ever to marry, or even to go back to her family.

Many women who endured similar treatment have just recently begun to make their stories public. Several are party to a class-action law suit filed in Japan last month on the weekend of the 50th anniversary of Japan's attack on Pearl Harbor. Others have appeared on television shows and in newspaper interviews.

All of this has made the 50-year-old war crime the most visible issue between the two countries just as Mr. Miyazawa is scheduled to meet with President Roh Tae Woo.

The neighboring democracies have other things to talk about, of course. Mr. Roh plans to raise the matter of South Korea's growing trade deficit with Japan—about \$8 billion last year—and to seek help in reducing it. With that goal in mind, Mr. Roh has said that he will emphasize his interest in increased technological assistance from Japan for Korea's increasingly high-tech industrial base.

Both leaders are concerned about the situation in North Korea, and particularly the North's apparent push to produce enriched fuel for nuclear weapons. Mr. Miyazawa may be in a strong position to influence Pyongyang, because the North is looking toward Japan for trade and economic help.

But a key issue at the talks will be the atmosphere of animosity toward Japan that lingers still among many Koreans.

The anti-Japan feeling has been written into the law books in South Korea, one of the few countries anywhere where imports of Japanese cars, television sets and other products are banned. Unlike the rest of Asia, no Japanese movies or television programs are shown in South Korea; it is even against regulations to sing a Japanese song in public.

To the amazement and discomfort of the Japanese, the South Korean defense agency last year cited the possibility of a rearmament Japan as one of its military threats. Mr. Miyazawa, the pacifist leader of a nation that is still largely pacifist, has said that he is determined to prove to Mr. Roh that there is no security threat from Japan.

But in terms of drama, and sheer disbelief, no issue likely to arise in the talks this week has drawn more attention recently than the "comfort women."

The South Korean press has been full of reports about these women for the last few weeks. Television news specials have shown old newsreel footage of filthy army encampments where Korean women, some wounded and some pregnant, were forced to continue having sex with Japanese soldiers.

And just last weekend, a Japanese historian found documents in Tokyo that seem to prove something the Japanese have previously denied—that the program was conceived and run by the Japanese military government. In the past, Tokyo had argued that private companies set up the operations as contractors to the army.

In an interview with Korean reporters in Tokyo on the eve of his trip, Mr. Miyazawa formally apologized to the Korean people for Japan's enslavement of the Korean women.

## Beijing Moves to Calm Unrest by Separatists

**Agence France-Press**

**BEIJING**—The general secretary of the Chinese Communist Party, Jiang Zemin, has warned that the government will not tolerate ethnic nationalism and will combat a "handful of separatists" who threaten unity.

Mr. Jiang made the declaration in what the official press called an "important speech" at a national conference on minority groups. The speech was reported Wednesday in all major newspapers. Prime Minister Li Peng attended the start of the conference.

"No matter what international changes take place," Mr. Jiang said, "all nationalities in China will remain united and jointly strive for the modernization of the country."

China, he added, "will oppose both chauvinism from the larger nationalities and local nationalism."

Since the breakup of the Soviet Union, Chinese leaders have stepped up appeals for national unity, apparently reflecting fear of outbreaks of nationalism.

Officials in Xinjiang, the predominantly Muslim region of ethnic Uighurs that borders on former Soviet Central Asian republics, have spoken in recent weeks of "foreign agents" infiltrating separatist circles.

China has about 55 ethnic minority groups comprising nearly 100 million people, less than a tenth of the total population. Most live in underdeveloped or frontier areas.

Besides Xinjiang, Tibet and Inner Mongolia have undergone outbreaks of nationalist unrest that have been promptly repressed by security forces.

Mr. Jiang said the 1990s were critical for the "socialist" modernization of China. He cited five priorities in policy toward minorities.

First was an acceleration of economic development to enable minority areas to keep pace with growth in the rest of the nation.

Social services, such as health care, are to be increased, and China is to pursue a policy to allow the development of minority-populated areas, he said.

The theoretical autonomy in place in Xinjiang, Tibet, Inner Mongolia and other minority regions is to be improved, Mr. Jiang said.

## 7 Are Killed as Kurds and Turks Clash

**ANKARA**—Five separatist Kurdish rebels, a Turkish policeman and a soldier were killed in clashes on Wednesday in southeastern Turkey.

**PBC**

Bill Moyers  
Television Journalist

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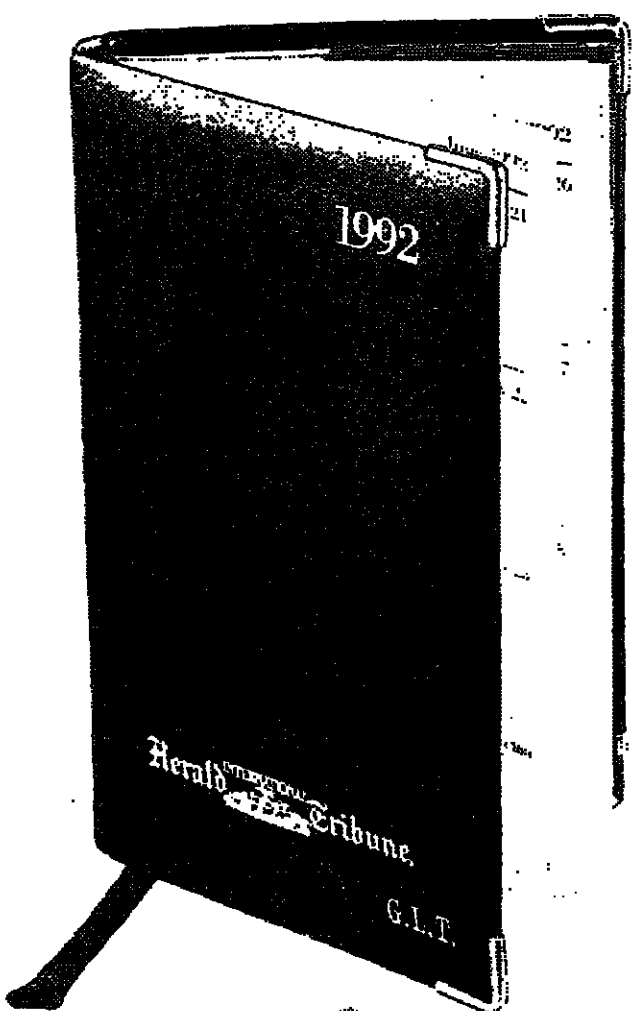
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HEALTH / SCIENCE

# Magnesium: New Nutritional Growth Stock

By Jane E. Brody  
New York Times Service

**N**EW YORK — Magnesium, an essential mineral in the human diet, has been all but ignored by nutrition enthusiasts in the United States who tout an alphabet-soup of supplements to correct purported deficiencies, to counter various ailments and to enhance health.

Unlike calcium or selenium, which may help to prevent cancer, magnesium was not considered to play a major role in nutritional problems nor was it regarded as a "sexy" nutrient.

But recent research may change magnesium's image and thrust it into the nutritional limelight. The findings indicate that magnesium deficiencies play an important role in several major health problems, including heart disease, high blood pressure and diabetes, as well as other problems like premenstrual disturbances and chronic fatigue syndrome.

Researchers have also found that magnesium deficiencies may be far more common than doctors realize. Many doctors are unfamiliar with the effects of magnesium deficiency and few patients are ever tested for it. When they are, the tests nearly always measure magnesium levels in blood and may not reflect the amounts found in muscle cells, bone and other tissues.

**W**HILE many adults have at least heard of milk of magnesia, the antacid magnesium hydroxide, and some people know that epsom salts is the laxative magnesium sulfate, very few know which foods supply the nutrient and/or name even one of magnesium's functions in the body.

Magnesium is in many foods, in the largest amounts in raw leafy green vegetables, in nuts, especially almonds and cashews, in dried beans, like soybeans, in seeds and in whole grains and seafood. Some magnesium in foods is washed away in cooking.

The recommended daily intake of magnesium is 350 milligrams for men age 19 and older and 300 milligrams for women, with an extra 150 milligrams for women who are pregnant or nursing. National studies have shown that most

Americans, with the exception of preschool children, do not consume the recommended amount.

Magnesium plays a role in the synthesis of proteins and this makes the mineral important for the health of body tissues. Sixty percent of the magnesium found in the body is in bones, where about a third is part of the structure and the remainder serves as a bank for the rest of the body. The remaining 40 percent is found in muscle and other soft tissues.

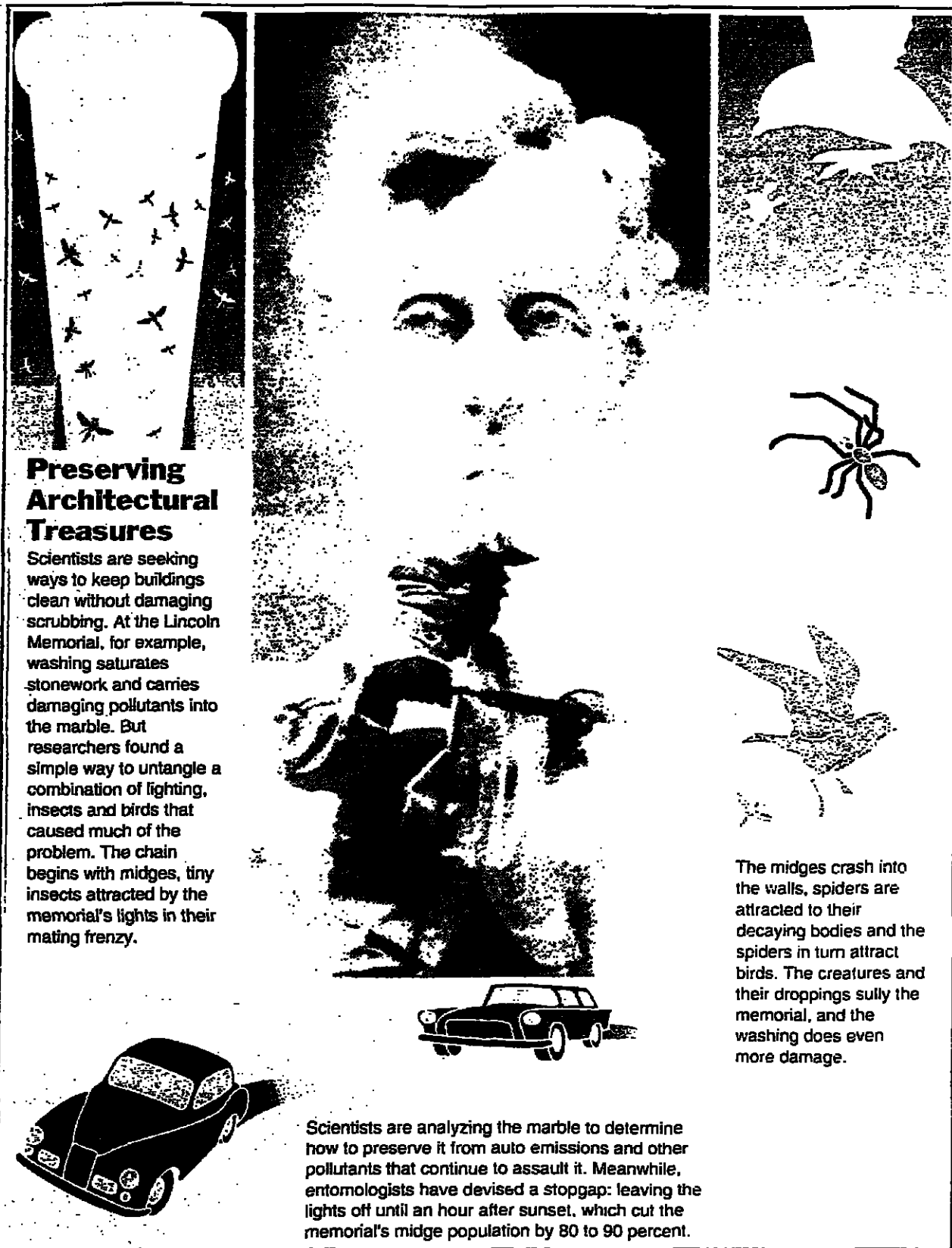
Magnesium helps to release energy for cell functions and eases muscle contractions and the conduction of nerve impulses. It also helps to regulate body temperature and to maintain a normal metabolic rate. The mineral interacts with calcium to maintain tooth enamel.

**S**YMPTOMS of magnesium deficiency include weakness in the muscles, twitches and tremors, irregular heart beat, insomnia, cramps in the leg and foot and shaky hands. Deficiencies are most common among people with prolonged cases of diarrhea, kidney disease, diabetes, epilepsy or alcoholism and in people who take diuretics to lower blood pressure, for example, or digitalis. These conditions and medications put people at risk for developing magnesium deficiencies.

Dr. Robert Whang, of the University of Oklahoma Health Sciences Center, who studied more than 1,000 hospitalized patients tested for abnormalities in blood chemicals, found that 437 had abnormally low blood levels of magnesium. But only about 10 percent of these were detected by tests ordered by the patients' doctors.

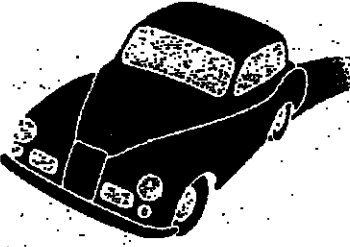
In general, Dr. Whang has reported, 7 to 11 percent of hospitalized patients would prove to have a magnesium deficiency. He also warned that a normal level of magnesium could be found in blood even when there is a deficiency in other body tissues.

A combined deficiency of potassium and magnesium can be particularly dangerous, seriously impairing the function of heart muscles. This is often found in patients taking diuretics over an extended period or who take digitalis. Studies showed that replenishing potassium supply was not likely to be effective unless the magnesium deficiency was also addressed.



## Preserving Architectural Treasures

Scientists are seeking ways to keep buildings clean without damaging scrubbing. At the Lincoln Memorial, for example, washing saturates stonework and carries damaging pollutants into the marble. But researchers found a simple way to untangle a combination of lighting, insects and birds that caused much of the problem. The chain begins with midges, tiny insects attracted by the memorial's lights in their mating frenzy.



Scientists are analyzing the marble to determine how to preserve it from auto emissions and other pollutants that continue to assault it. Meanwhile, entomologists have devised a stopgap: leaving the lights off until an hour after sunset, which cut the memorial's midge population by 80 to 90 percent.

The midges crash into the walls, spiders are attracted to their decaying bodies and the spiders in turn attract birds. The creatures and their droppings sully the memorial, and the washing does even more damage.

Megan Jugerman/The New York Times; AP photograph

# Should Monuments Be Cleaned?

By Natalie Angier  
New York Times Service

**N**EW YORK — For the next three to five years, the Lincoln and Jefferson Memorials in Washington, those soaring marble arks to democracy and inspiration for thousands of tourists each week, will be partly obscured by decidedly unspectacular girdles of scaffolding, fences and thick green nets, as workers struggle to shore up the crumbling monuments and restore a bit of their dimming grandeur.

The monuments are suffering, not so much because they have been battered by grit, grime and acid rain or even because pigeons shamelessly roost on the heads of the presidential statues within, but because in the half century since the monuments were built they have been kept so meticulously clean.

To help assure the appearance of unsoiled timelessness at the monuments, the National Park Service hoses down the entire structures twice a year and mops up the giant statues each evening.

Partly as a result of the constant washing, the marble has eroded so badly in spots that last year a chunk of one 42-foot (13-meter) column at the Jefferson Memorial crashed to the ground and other columns were found to be teetering dangerously. Now the National Park Service is racing to gauge the extent of the deterioration and how best to correct it.

The fragile condition of two of America's most treasured monuments underscores an ongoing and often vitriolic debate among preservationists, engineers, real estate developers and those who simply feel passionate about architecture: Is it best to scrub a building now and again, or simply leave it alone? Some argue that a building coated with dirt

or graffiti or bird droppings is an offense and that a city of grimy buildings is a dark, unsavory place, bespeaking economic and social disintegration.

They also say that pollution and filth are harmful to a building and that surely the expeditious removal of grime is in the building's best interest.

Others insist that cleaning a building almost always does more harm than good, driving water deep into the capillaries of the stone, where it can expand if it freezes and crack the masonry.

They say a spattering of grease and graffiti on the facade is far preferable to deep structural damage that can follow a cleaning, and they say cities are full of buildings that have been mangled by cleanings past.

Yet a third camp, composed of preservationists with a strong background in engineering, chemistry and even geology, sits between the two extremes, saying the technology for cleaning and restoring buildings has progressed so dramatically just in the last several years that even the most delicate of structures can sometimes benefit from a deft and carefully executed cleaning.

Using methods like electron microscopy, infrared spectroscopy and gas chromatography, preservationists can now determine whether dirt on a building is merely smudging the stone on the outermost layer or has pervaded the pores like a sickness and thus threatens the whole structure.

The preservationists say it is now possible to combine the best of both worlds, removing deleterious dirt without compromising the craftsmanship and subtleties of an beloved landmark.

Some recent refurbishings of famous buildings that have used the new technology have nevertheless given passers-by a shock. For as

long as most New Yorkers can remember, Trinity Church in lower Manhattan had been a looming black tower, a somber gothic meditation amid the controlled bedlam of Wall Street.

But a gentle cleansing removed the accreted soot from the 19th-century church and returned it to its original color, a light and confectionary pinkish tone that many New Yorkers actively dislike.

Sometimes the dirt turns out to be beneficial to the stone, and restorationists may recommend leaving it alone. The wall surrounding Central Park in New York, for example, is covered with dirt that extensive tests have shown is able to repel moisture and thus protect the stone, and during recent restorations of the park preservationists opted not to scrub the wall at all.

But dirt can sometimes be as rotten as it appears. At the New York Public Library, a grand Beaux Arts temple on Fifth Avenue, conservationists examined samples of surface dirt by using X-ray diffraction analysis and infrared spectroscopy, which broke down the gray smears into their constituent elements.

**T**HE researchers found that the sculptural details on the building, including the bas-relief lions, had interacted with pollutants from acid rain.

As a result, the calcium carbonate on the surface had been transformed into calcium sulfate, or gypsum, and the pathology was spreading in fungal fashion through the stone.

"It was migrating inward, invading the lion's ear like a disease," said Ms. Otavino. "The gypsum had formed a scab, and underneath the scab it was turning to powder. We had to clean to extend the life of the building."

# 'Chronic Fatigue' Linked To Brain Inflammation

By Lawrence K. Altman  
New York Times Service

**N**EW YORK — The largest study yet of chronic fatigue syndrome has found evidence of inflammation in the brains of patients, the first documentation of a neurological abnormality connected with the mysterious ailment.

But the findings detected on magnetic resonance imaging scans were not specific enough for such scans to be used as a diagnostic test for the syndrome, the authors reported Wednesday in *The Annals of Internal Medicine*.

The study also found evidence that a common virus was active in most patients. But the authors said the evidence did not establish the virus, herpes virus 6, or HHV-6, as the cause of the syndrome.

Rather, one of the authors of the study, Dr. Anthony L. Komaroff of the Brigham and Women's Hospital in Boston, said the authors suspected that the syndrome in some unknown way led to an abnormality of the immune system, which in turn reactivated a virus that had

long been dormant in the body. Earlier studies showed that HHV-6 infects virtually everybody in the first years of life.

The report was produced by researchers from eight medical centers who studied 259 patients who developed the ailment from 1984 to 1986. Of the 259, 183 were involved in an outbreak near Lake Tahoe, California. The remaining 76 had similar symptoms.

The outbreak rekindled interest in an ailment that has gone by various names for more than a century. Among such names are post-viral fatigue syndrome, lenticular disease, neurasthenia, chronic mononucleosis and even "yuppie flu."

Chronic fatigue syndrome often begins abruptly with flu-like symptoms that are followed by months or years of sometimes disabling lethargy and impaired cognition.

Imaging scans showed pinpoint areas of swelling or loss of part of the sheath that surrounds nerve cells in the central nervous system in 113 of 144 patients, or 78 percent. The abnormal areas were detected on repeat imaging scans and in some cases even after symptoms had eased. The abnormalities were scattered throughout the brain.

## IN BRIEF

### Hepatitis A Vaccine Is Ready, Firm Says

**BRUSSELS (Reuters)** — Researchers in Belgium said Wednesday that they had developed the first vaccine against hepatitis A, a potentially fatal viral disease that affects the liver, and that they hoped to market it later this year.

"Our laboratory has developed the first-ever hepatitis A vaccine. But it still has to be commercialized," the Belgium-based research division of the British company SmithKline Beecham said. The firm has a research center in Rixensart, near Brussels. A spokeswoman said the vaccine had gone through the necessary clinical tests, but negotiations with Belgian authorities on the conditions for marketing it would take at least another three or four months.

Doctors said a vaccine against hepatitis A would be good news, especially for travelers to Africa and Asia. Hepatitis A can be fatal if not treated and is transmitted mainly through contaminated food or water.

By contrast, hepatitis B — for which vaccines were developed and commercialized in the 1980s — is transmitted by transfusions of infected blood, sexual contact, or the use of poorly-sterilized medical instruments.

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# Stomach 'Flu': A Challenge For Physicians

## Most Cases Pass Quickly But It Can Be Dangerous

By Robin Herman  
Washington Post Service

**W**ASHINGTON — First come the waves of nausea in the stomach, then a clammy feeling on the hands, the neck, suddenly the whole body is aching and chilled — and finally the relief after vomiting.

This scene is replayed constantly worldwide. Stomach "flu" is universal. For most people, it's not a diplomatic faux pas as it was with President George Bush in Japan last week, but a private, and usually a temporary, annoyance.

This sudden illness is not really the flu but an inflammation of the intestinal tract due to an infectious agent — either a virus, bacterium or parasite. Sleuthing the cause of gastroenteritis, the generic medical term for stomach upset, is a challenge for physicians.

"Gastroenteritis is just a hodgepodge, a general term to say you have an upset stomach. It doesn't really tell what the cause is," said Donald Poretz, chief of infectious diseases at Virginia's Fairfax Hospital. "People can have nausea, upset stomach and diarrhea from one of many kinds of viruses. Someone can also vomit from food poisoning. You get the same symptoms from dysentery or bacteria. Sometimes different medications can cause similar symptoms."

**T**HE symptoms, vomiting and diarrhea, can be a kickoff to many diseases that range from a mild two-day siege to a serious problem such as appendicitis or even a gall-bladder attack.

In children, stomach upsets are frequent and are potentially more serious. Although viruses are by far the most common cause of digestive problems in children, vomiting can also signal the start of many kinds of childhood infections outside the intestinal tract, including urinary-tract infections, ear infections and even pneumonia and appendicitis.

To make a diagnosis in children and adults, physicians look for clues that help them distinguish between common viral gastroenteritis and other problems. The biggest clue is how long the vomiting and diarrhea last. If symptoms are over within 48 hours, the likely cause is a virus. About 50 percent of stomach "flu" is caused by one of the 10 or so variations of the Norwalk virus. In winter months, viruses are particularly suspect.

Most gastroenteritis plays itself out without any treatment other than keeping the patient well hydrated. Fluid intake is particularly critical for young children and the elderly, doctors say. "It lasts a day or two; you'll feel weak for a day or two afterward," said Daniel H. Present, clinical professor of medicine in gastroenterology at Mount Sinai School of Medicine in New York. "I usually treat things by giving someone enough fluids, tylenol, maybe an anti-nausea drug and that's it."

Using laboratory tests to prove which exact virus is causing the

problem, Dr. Poretz said, is expensive and ultimately of little use since there is no specific anti-viral drug that is effective against the most common stomach viruses.

Of far more value is taking the patient's history and monitoring the course of the illness. If vomiting and diarrhea persist, the cause may not be a virus but rather bacteria and other measures can be taken, including treatment with antibiotics.

"It's important to know if the patient has had any recent travel out of the country where they could have picked up something," he said. "Have they been in contact with other people with the same symptoms, had unusual foods recently which they haven't had before: are they on medications?"

A persistent problem points to a bacterium or parasite as the cause. Another generic term crops up: "traveler's diarrhea." Most commonly, this is caused by the salmonella, shigella and toxigenic E. coli bacteria that are passed along through unhygienic handling of food and unclean water supplies.

Stool cultures can pinpoint the infectious agent, whether bacteria or a parasite. "If you know what it is, you can treat it specifically with antibiotics," he said. Nearly all of these agents can be killed with antibiotics, he said.

Vomiting and diarrhea in children can arise from a urinary-tract infection, for example, and even from pneumonia and strep throat, said William Rodriguez, chairman of pediatric infectious diseases at Children's National Medical Center. A physical exam can help rule out these problems, he said.

**T**HE first step in treatment for simple gastroenteritis is to make sure the child is well hydrated. In young children, parents should check that the mucus membranes are still moist — that the eyes can fill up with tears and the mouth is not dry. They should also verify that the child is urinating regularly.

The best fluid, according to pediatricians, is a commercially prepared electrolyte solution such as Pedialyte that contains not only water but a balance of essential minerals such as sodium, potassium and chloride. Plain water is not sufficient.

Traditional remedies such as cola syrup and ginger ale are not recommended because they do not contain the right amounts of sodium and potassium, said Dr. Rodriguez, and also have a high sugar content, which may exacerbate the diarrhea.

Children who show signs of dehydration may need to be hospitalized to receive fluid intravenously.

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Herald International Tribune

The Nayirah Deception

It is plainly wrong for a member of Congress to collaborate with a public relations firm to produce knowingly deceptive testimony on an important issue.

the ambassador's daughter did not alter her credibility. That doesn't wash. Had her identity been known, her accusations would have faced greater skepticism and been questioned more closely.

Bush and Protectionists

In trying to strengthen himself on one political front on his trip to Asia, President George Bush may have weakened himself on another.

ment spending both would be reduced, but so would the incomes of inefficient farmers, and the French and other European governments are afraid to risk it.

To Print or Not to Print?

Bradley Smith is a Californian who acknowledges that the Nazis were cruel to Jews but who denies that the Holocaust ever happened.

is something for the newspapers to decide. The second lesson is that there is probably no right answer to the question of how they should decide.

Other Comment

Ends and Means in Algeria
The seizure of power by Algerian authorities illustrates some of the old dilemmas confronting human societies.

in fact deposed, the electorate betrayed, and democracy profaned for a long time to come. Unlike totalitarianism, which wrongly thinks itself unshakable, the democratic mentality is based on acceptance of defeat.

LEARNING DISABLED



The Gulf War Was Well Begun and Badly Ended

WASHINGTON — The Jan. 16 anniversary of the launch of Operation Desert Storm invites journalists and policymakers to peek in history's rearview mirror.

By Jim Hoagland
Mr. Bush's national security adviser, Brent Scowcroft, asks the president to "let the debate develop" at the 8 A.M. gathering rather than make his views known at the outset.

Contrary to the impression spread by critics of Mr. Bush as an imperial president eager to run roughshod over Congress, the president is shown here resting appeals from Mr. Cheney (a former congressman) and Mr. Scowcroft to ignore the war-making powers of Congress.

Too Much Unskilled Immigration Is Bad for You

WASHINGTON — High levels of immigration, legal and illegal, have not produced the positive economic results in America that growth-minded advocates have expected.

By Lawrence E. Harrison
The loss of competitive advantage of many U.S. products in recent decades is the consequence of the slow growth of labor productivity.

Immigration is but one of several causes of America's economic malaise, but it is not an insignificant one.

Cold War: Red Scares Were the Rule

SANTA FE, New Mexico — A great Eurasian empire is crumbling. Presiding over one of the richest states on earth, the government cannot feed its people.

By Roger Morris
This is the first of two articles.
exiles as contemptuous as they are ignorant of the parvenu Communists.

Orson Welles' film villain in "The Third Man" is selling diluted penicillin to sick children in Vienna, a real-life California oilman and major Democratic Party contributor named Edwin W. Pauley leads a U.S. delegation to Moscow to discuss German reparations for the victorious but devastated and impoverished Soviets.

Play Japan By Japan's Own Rules

By Chalmers Johnson
SAN DIEGO — George Bush's trip to Asia was an attempt to provide the appearance of policy instead of a serious economic strategy.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Arab Slave Hunters
LONDON — Representatives of the Lakes Company in Nyassaland send news from Mozambique of serious disaster to the force under Mr. H. H. Johnston.

1917: Austrians Amok
BERNE — Serious popular disturbances have occurred at Gratz, Austria. Huge crowds ran amok in the street demanding increased rations and shouting "We are starving. We want peace."

1942: Australians at War
SINGAPORE — [From our New York edition:] Australian troops, apparently held in reserve throughout the last five weeks of bitter fighting down the jungle trails of Malaya, now are in action against the Japanese invaders above Johore State.

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LEARNING DISABLED
Illustration of a person sitting on a large stack of books, looking at a computer monitor.

Play Japan By Japan's Own Rules
By Chalmers Johnson
SAN DIEGO — George Bush's trip to Asia was an attempt to provide the appearance of policy instead of a serious economic strategy.



OPINION

What's Cooking in America Is the Commuter's Temper

By George F. Will

WASHINGTON — Up in the Center of the Universe, as New Hampshire is for a blink every four years, presidential candidates are professing an as-yet-unrequited love for the natives, whose economic prostration has concentrated attention on elemental economic catastrophes — unemployment, bankruptcies, bank failures, collapsing real estate values. But elsewhere there are more subtle indices of America's condition. Here are four small facts pregnant with political meaning.

In 1991, Wal-Mart replaced Sears as the nation's largest retailer. The Center for Disease Control, studying violence as a communicable epidemic, reports that one in five high school students carries a gun, knife or club into the classroom. Alan Greenspan, keeper of the currency, says his mail is running heavily against lower interest rates.

The Campbell Soup Company predicts that by the turn of the century 25 percent of all automobiles will contain microwave ovens. The four facts illuminate a fifth — national stress. Wal-Mart's ascendancy is the result of brilliant execution of several strategies (inventory control, advantageous partnerships with vendors) and two insights: The dispersal of America's population from central cities would enable a chain of discount stores to grow by starting in small towns and moving toward suburbs and the great tendency of the 1980s was not the exodus of the few (noticed, because partaken of by town planners) but the frugality of the many.

Wal-Mart may be the emblematic caricature of post-1973 America, the period since the oil shocks made economic growth problematic and personal income growth sluggish. The emblematic sight of these 18 years has been women driving off to work to help maintain their families' suburban standards of living. In the last two decades the workweek has lengthened, especially for women and everyone in small businesses, and leisure time has declined even more as adults in two-earner families scramble to achieve and maintain suburban living. (This will be the first presidential election in which a majority of voters will be suburbanites.)

The primary emotion behind the scramble? Fear, and not just fear of being driven down the social ladder. Fear of being driven down is related to a stark physical fear. Urban governments are failing to perform their primary function of protecting people from violence, on streets and even in homes and schools. Some people say crime today is not as bad as the media make it seem. But by some measures it is worse than it seems. UCLA's James Q. Wilson estimates that if America still had the quality of medical care (especially shock trauma and emergency care) of 1957, today's murder rate would be three times higher than it is.

One reason governments seem to be taxing more and performing worse is the explosive compounding of slow economic growth with the aging of the population in a welfare state scheme toward the elderly. Lee Smith of Fortune magazine reports that the country is spending \$11,000 on every American over 65 but only \$4,200 on each child under 18. (Those over 65 have a voting rate 50 percent higher than those aged 18 to 34.) By the turn of the century, spending on the elderly will absorb about half of the federal budget. That is one reason why in some cities the rate of immunization of poor children is lower than in Uganda.

It is an old story. The squeaking wheels get the grease. The elderly write better letters than infants write. Fed Chairman Greenspan says that most of his mail about interest rates comes from retirees living on interest from savings. They are not amused by rate reductions that reduce their incomes. Economic anemia, governmental paralysis, frayed families. What about Americans' most intimate relationships with their cars? People are turning their cars into mobile offices, kitchens and recreation rooms because they spend so much time in them during the congestion of commuting. Fortune's John Huey reports that the most common commute is from one suburb to another. America has more cars than licensed drivers.

California's Office of Traffic Safety, also not amused, reports that commuters are not just telephoning (there are 6.4 million cellular phones, up from half a million in 1986), they are brushing (and flossing) their teeth, drinking and napping babies, mending clothes, eating baked potatoes and bowls of cereal. Politicians should ponder these matters when trying to understand the electorate's short fuse and shorter attention span. Washington Post Writers Group.



Dwarf States, He Thought, Will Be Safer Than Giants

By John McClaughry

KIRBY, Vermont — Secession and political disintegration have redrawn the map of Europe in the last few months. The Baltic states declared independence, Croatia and Slovenia have struggled to withdraw from Yugoslavia, a loose commonwealth has replaced the Soviet Union. There have even been independence movements within independence movements, as in Abkhazia and South Ossetia in ex-Soviet Georgia. Unnoticed amid this turmoil was the 50th anniversary a few months ago of a

remarkable essay which bravely declared that the world would be better off if large states splintered into small pieces.

Disunion was an unpopular idea among internationalist Americans in 1941. Far more appealing was "union now" on a supranational scale. The threat of Adolf Hitler called for the thrust of unity, not fragmentation and weakness. In this atmosphere, Commonweal magazine of Sept. 26, 1941, published an essay entitled "Disunion Now: A Plea for a Society Based Upon Small Autonomous Units."

The author was Leopold Kohr, a 31-year-old Austrian-born economist who used a pseudonym (Hans Kohler) because he hoped that readers would mistake the name for Hans Kohn, a well-known historian at City College of New York, and be more likely to read the article. The essay began by rebutting the idea, as summarized by Mr. Kohr, that "the evils of our globe would be eliminated by simply doing away with the varieties of states through uniting — the democracies now, the continents later, the world in the end."

He argued that Switzerland, often cited as exemplifying the merits of unification, had thrived not because of national unity but because of the smallness of its cells. "The great number of proud, democratic and almost sovereign cantons, and the small [size] of cantonal populations, eliminates all possible imperialist ambitions on the part of any one canton, because it would always be outnumbered by every very small combination of others."

In places of France, Germany, Russia and Italy, Mr. Kohr recommended 40 or 50 versions of Lombardy, Burgundy, Savoy and Estonia. "Then the Great Powers, which are the womb of all modern wars — because they alone are strong

The writer, a Vermont state senator, is co-author with Frank Bryan of "The Vermont Papers." He contributed this column to The New York Times.

Letters intended for publication should be addressed to "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

LETTERS TO THE EDITOR

Trust the Voters

Regarding "Politics-Minus-Parties Doesn't Work for America" (Opinion, Jan. 4) by David S. Broder:

While I share Mr. Broder's concern for the American government's increasingly pitiful performance, I would like to take exception to his implication that government by referendum would lead to totalitarianism. I was proud that my home state of Washington gave me, not a politician, the choice to decide whether I want to bring another life into this overpopulated world, and whether I want to die with dignity. The key word here is choice. Passage by referendum would not force anyone to have an abortion, or be subjected to what some misinformed souls might call euthanasia. It would ensure that these options remain or become legal. Referendums put decision-making in the voters' hands.

More and more it seems that Americans have no choice of how their votes are spent or how the country is run. If I could have more faith in "leaders of rare political skill," I would be less inclined to want to "bypass and neuter the legislative institutions."

Government is supposed to be for and by the people.

HARRIET W. CAVALLI, Gelterfing, Switzerland.

Just Major Alterations

Regarding the editorial "Rebuilding South Africa" (Dec. 26):

Talks between the South African government and the nonwhite parties are not supposed to decide any kind of "rebuilding" of the country because this would imply destroying it first. The goal is just the opposite: keep the place standing on its feet as an industrialized state, the only one in Africa, with all its potentialities.

JEAN M. G. CHESNEAU, La Croix-Valmer, France.

One Nation, Under God

Regarding "300 Years Later, Reason for Madison to Take Pride" (Opinion, Dec. 14) by Anthony Lewis:

James Madison, "the chief architect of the Constitution," might be pleasantly surprised about the durability of his country, but aghast at how the Supreme Court has increasingly abused its power and progressively expunged religion from public life. He called religion "the basis and foundation of the government."

Contrary to popular understanding, the words "separation of church and state" appear nowhere in the U.S. Constitution. The idea was adopted by the 1947 Supreme Court (Everson v. Board of Education) from Jefferson's Letter to the Danbury (Connecticut)

Baptists assuring them that there would be no attempt to establish a state church, such as the Church of England. Jefferson's words were meant to assure confidence in a broadly religious society. The 1947 Supreme Court, invoking these words out of context, used them to attack a broadly religious society.

On June 28, 1787, Benjamin Franklin told the Constitutional Convention: "The longer I live, the more convincing proofs I see of this truth — that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid?"

How did the convention respond? By opening every succeeding session with prayer. How does the modern Supreme Court respond? By outlawing nondenominational school prayer (Engel v. Vitale, 1962) and even moments of silence (Wallace v. Jaffree, 1984) — lest any student even think about God!

George Washington, John Quincy Adams, Andrew Jackson and Abraham Lincoln were vocal about the importance of biblical teaching.

Only by ignorance or cunning can one deny that the framers of the Constitution sought to promote a strong and pluralistic religious society, — a concept which went unchallenged for 150 years.

STEVE VANNE, Meiner, Switzerland.

ADVERTISEMENT INTERNATIONAL FUNDS

Table listing various international funds with columns for fund names, share prices, and other financial data. Includes sections for 'INTERNATIONAL FUNDS' and 'Other Funds'.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 52 12.







INTERNATIONAL MANAGER

Tapping a Low-Cost Line On Europe-to-U.S. Calls

By Laura Colby  
International Herald Tribune

PARIS — A few years ago, when Howard Jonas decided to expand his publishing company outside the United States, he sent a handful of his top salespeople to Europe to drum up business. "I wanted them at the same time to keep in touch with their clients back in the United States by telephone," he said.

Then came the surprise. The advertising salespeople began turning in monthly phone bills of about \$8,000 a person — nearly eight times the level of the bills they ran up while working in the United States. Mr. Jonas was appalled. "In some cases, the salesperson's phone bill exceeded the salary I was paying," he recalled.

Most U.S. companies doing business in Europe simply become resigned to the national telephone monopolies and the resulting high costs, which can be double or more of those in the United States. Not Mr. Jonas. An entrepreneur who dabbled in inventing in addition to his main business of publishing business directories, he came up with a scheme to sidestep the European PTTs. The service proved successful enough that Mr. Jonas has decided to market it to others through a new company, International Discount Telecommunications Corp., based in New York.

Hit with high phone bills, Howard Jonas came up with a service to sidestep Europe's PTTs.

Getting around the high phone charges was fairly simple. Jonas Publishing, his New York company, hired a round-the-clock secretary and switchboard operator. Salespeople who needed to make calls in the United States would call the New York switchboard, which would then call back and patch them in to the company's domestic telephone lines. The salespeople could then make their calls on a U.S. telephone line, in effect reversing the charges, so that the company would pay the far lower American rates.

Eventually, working with an outside computer consultant, Mr. Jonas came up with patented computer equipment that could perform the same task.

"That way," he said, "the salesperson wouldn't have to talk to the secretary every time they wanted to make a call, and I didn't have to pay the 24-hour salary."

INTERNATIONAL Discount Telecommunications began selling the service in earnest last fall and is now building up a European distributor network. Among its 150 or so clients are such large international corporations as NBC, National Semiconductor Corp. and PepsiCo Inc. Smaller, independent businesses such as law firms and investment advisers are also users of the service, which costs \$250 per month.

The service works like this: A user in Europe calls a special number provided by IDT, lets it ring once, then hangs up. He is then called back by the IDT computer and gets a U.S. dial tone that enables him to make all the calls he wants at the lower U.S. rates. Mr. Jonas said that his computer system also amplified the sound so that in some cases the clarity of the conversation is better than it would be using the local PTT.

The European phone monopolies are not happy about the service, said Mr. Jonas, who added that some of his distributors had been pressured by the local PTTs to give up working for IDT. But the service is not illegal, he said.

In France, for instance, France Telecom no longer has a legal monopoly on anything but the installation of telephone lines. In Britain, alternate carriers such as Mercury Telecommunications Ltd. have challenged BT PLC's monopoly for several years. In the United States, the Federal Communications Commission has ruled that there are no immediate legal obstacles to the service.

François Bianchi, a Paris-based spokesman for American Telephone & Telegraph Co., which also offers a special phone service to

See CALLS, Page 11

Overhaul Recommended for Lloyd's

By Erik Ipsen  
International Herald Tribune

LONDON — A task force set up last year to plot a course for the troubled Lloyd's of London insurance market recommended Wednesday the most sweeping changes in the market's 303-year history.

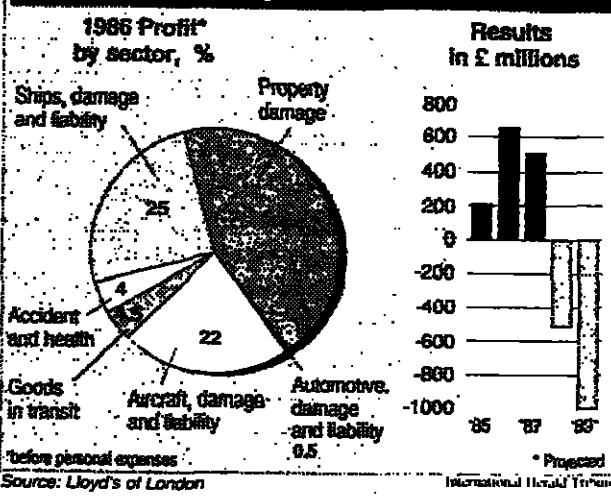
Chief among them was the proposal that Lloyd's should limit investors' losses and accept corporate members into a market that has relied solely on wealthy individuals — the so-called names — for its capital.

"The proposal to admit corporate members would be revolutionary," said Chris Pountain, an analyst with Morgan Stanley in London. Since such a change requires an act of Parliament, however, it would not take effect for four years.

Stung by losses of £509 million (\$916 million) in its most recent accounting year, 1988, and by the prospect of much worse to come in 1989 and 1990, Lloyd's members have been defecting in droves. More than 4,000 — one in six — fled the market last year alone. Last year, outraged members unleashed a wave of lawsuits against Lloyd's, alleging everything from malfeasance to outright fraud.

Although the task force's mandate was to look five to seven years into the future, it decided in the end that it could not neglect

Losses at Lloyd's



The current crises besetting the market.

The Lloyd's chairman, David Rowland, who also is chief executive of Sedgwick, the market's largest broker, said, "So great are the present difficulties we had to look at those as well."

Few would disagree. "We've been very badly scarred," said Valentine Powell, the chief executive of the Association of Lloyd's Members. "I think there is a healthy warning on Lloyd's membership now."

number of steps that would make life for members less perilous. The most important of those was a proposed compulsory stop-loss fund to which all members would have to contribute beginning as early as January 1993. Members' losses above a certain amount over four years would be paid for out of the fund.

The Lloyd's system of unlimited liability for its members has meant that their entire fortunes have been at risk as 2,000 Lloyd's names found out last year when they were forced into bankrupt-

cy. For them and for those confronted with the certainty of more losses this year and next there was, however, nothing of comfort in the report.

"As far as existing losses are concerned, there is absolutely nothing one can say except that one is extremely sympathetic," Mr. Rowland said.

The task force also advised Lloyd's to endorse the principle of the primacy of members interests. Specifically, names would be given the right to dismiss the head of their syndicate and to approve all major syndicate transactions.

The task force recommended that salaries and bonuses for market professionals be more closely linked with profitability.

Pay cuts for many market professionals will be just one part of what Mr. Rowland said was a required 30 percent cut in the market's costs necessary to restore competitiveness.

Although the initial response to the task-force report has been generally positive, many observers caution that it contains only proposals — 65 of them in all. Enacting them will be a time-consuming and perhaps contentious process.

The proposal for the fund to cap members' losses, for instance, even if it went into effect as early as next year, would not actually

See LLOYD'S, Page 10

GATT Body Says German Airbus Aid Is Unfair

Compiled by Our Staff From Dispatches

GENEVA — A panel set up to adjudicate in a row between the European Community and the United States has ruled that German government payments to the German arm of the Airbus consortium violate world trade rules, trade sources said Wednesday.

The panel was set up under the General Agreement on Tariffs and Trade in March after Washington's complaints that the payments amounted to unfair subsidies worth about \$2.5 billion per aircraft.

The payments were introduced in 1989 under a special exchange-rate mechanism to compensate Daimler-Benz AG, the parent of Deutsche Airbus, for the drop in the value of the dollar against the Deutsche mark.

French, British and Spanish companies also belong to the Airbus consortium. No further details on the panel's ruling were immediately available.

The report likely will be discussed at the next meeting of GATT's subsidies committee, which set up the panel. GATT has no powers to force changes in national policy, but the European Community has indicated it would go along with any judgment.

The Community argued that the payments were legal under an international civil-aviation code which states that, although GATT's general rules on subsidies apply, all signatories should take into account factors specific to the aviation sector, including widespread government funding.

Although the U.S. request for a GATT panel was limited to the German measures, it also has complained about other government payments to Airbus in a trade dispute in its fifth year. But the two sides are continuing bilateral talks in a bid to settle the wider dispute.

Washington says the European

state subsidies have helped Airbus gain market share from such U.S. rivals as Boeing Co. and McDonnell Douglas Corp. Brussels counters that U.S. companies benefit from big government payments made for the development of military aircraft.

Earlier, in Paris, President François Mitterrand said that recent proposals for a rapid conclusion to the stalled round of world trade talks were "unacceptable" and that France would not compromise.

Mr. Mitterrand told a cabinet meeting that proposals by Arthur Dunkel, director-general of GATT, to finish the current Uruguay Round of talks implied an inequality of treatment, according to a French government spokesman.

French negotiators had already told GATT that the Dunkel plan was not acceptable.

The spokesman, Jack Lang, said, "France is not inclined to submit to American demands, nor to bow to the interests of one country. France has decided not to compromise."

Switzerland added its voice Wednesday to those opposing the Dunkel proposals, saying the text had problems regarding farm support and contained "excessive" measures. It did not elaborate.

Mr. Dunkel made his proposals at the end of December in the form of an approximation of negotiating positions on matters still in dispute, mainly subsidies to agriculture, in an attempt to bring the negotiations to a quick conclusion.

Mr. Lang said France's reservations arose from U.S. demands that the European Community give up a big tonnage of exports "without in reality something in return from the American side, either in support given by the United States to its farmers or by a change in the advantages provided for the import of American products into the European Community."

(AP, Reuters, AFP)

A Japanese Success Story, With a Twist

By Steve Lohr  
New York Times Service

NEW YORK — As made-in-Japan stories of corporate success go, this one is a classic.

A company in a fledgling market was protected for years from competition by Japan's powerful bureaucracy. It grew rapidly and piled up profits. Today, it is a powerhouse, rich and entrenched, so dominant that outsiders have little chance of cracking into its lucrative bailiwick.

It is also a story that illustrates the very system that American executives, like those accompanying President George Bush last week, have long complained makes Japan a closed market.

But there is a wrinkle. The company in question is American — Aflac Inc. of Columbus, Georgia, which until very recently was named American Family Corp.

If there is a larger lesson in Aflac's unusual achievement in Japan, it is that innovation, persistence and good fortune can yield success even in that nation's tricky market.

For Aflac, the payoff has been to be treated like a card-carrying member of Japan Inc., profiting from the government's helping hand and the cozy ties between corporations and their suppliers — the same arrangements that U.S.

automakers and parts producers contend harm them in Japan.

Yet Aflac's transformation from outsider to insider was made easier because it is a niche supplier, not competing head-on with Japan's corporate giants. Aflac is the world's leading seller of cancer insurance, which helps pay the costs of treating the disease.

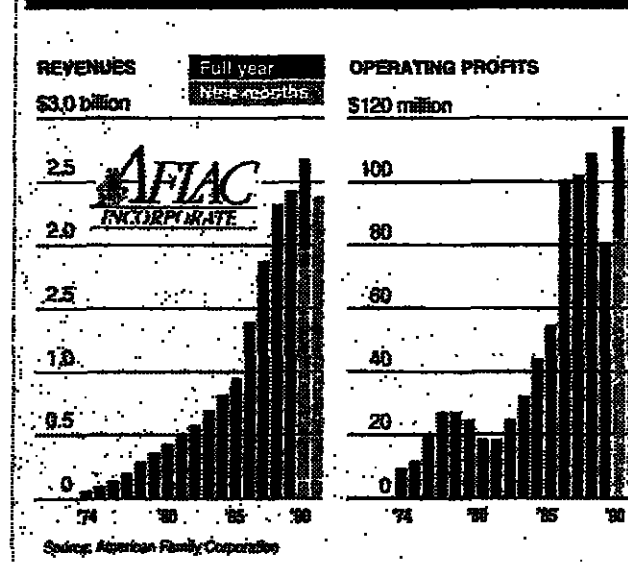
The insurer had earnings of an estimated \$147 million on revenue of \$3.3 billion in 1991, with the Japanese market accounting for 75 percent of Aflac's business, a larger share than for any other sizable American company. Aflac holds 90 percent of the Japanese market for cancer insurance, having sold 9.9 million policies that cover 25 million Japanese, one-fifth of the population.

"Aflac has a monster franchise in Japan," said Michael Lewis, an analyst for Dean Witter Reynolds Inc. "It is so strong that no one can challenge it."

The company's business in Japan had its genesis in 1970 when John B. Amos, the founder, visited Japan with a friend. He noticed the Japanese practice of wearing surgical masks to prevent spreading cold germs to others. This was a health-conscious nation, he figured.

Mr. Amos did some quick market research. He found that payments under Japanese health plans

An Insurer's Good Years



The New York Times

were often meager, the life expectancy of the Japanese was lengthening, cancer was a leading cause of death and there was what amounted to a national phobia about the disease. No company in Japan offered Aflac-style single-disease insurance.

It took four years for Aflac to get a license to sell its cancer insurance in Japan.

"Once you receive a license, the Japanese authorities want to do everything they can to help you in business," explained Daniel P. Amos, 40, the president of Aflac and a nephew of the founder, who died of cancer in 1990. "The bureaucracy makes sure that everyone — companies and consumers — is protected."

A key to the company's extraordinary growth and profitability in Japan is its system of selling through so-called corporate agencies. Typically, Japanese corporations in a broad range of industries set up insurance subsidiaries, headed by retired executives to handle the sales of Aflac cancer policies and only Aflac policies to their employees.

Such exclusive distributors are illegal in the United States, where they are seen as conflicts of interest. But in Japan, the Ministry of Finance approved the arrangement and it has proved an enormous asset for Aflac.

The arrangement means that the 43,000 Japanese companies offering Aflac policies effectively endorse the Georgia company's insurance. And the list of participating companies reads like a roll-call of the elite:

See INSURE, Page 11

AT&T Pursues Its Global Ambitions In Telephone Accord With Ukraine

By Edmund L. Andrews  
New York Times Service

WASHINGTON — American Telephone & Telegraph Co. has taken the first step in its long-stated goal of globalizing its telephone services with an agreement this week to build and operate a long-distance telephone service in Ukraine.

The deal marks one of the first big business agreements between an American company and a former Soviet republic since the official dismemberment of the Soviet Union last month. It is also the first time that AT&T will own part of a long-distance network outside the United States.

As part of the deal, announced Tuesday, AT&T will own 39 percent of a new long-distance telephone company that will link cities within Ukraine, as well as provide direct connections between Ukraine and outside countries. The Ukrainian State Committee of Communications will own 51 percent of the venture and PTT Telecom of the Netherlands, 10 percent.

AT&T officials refused to say how much they were investing in the venture. But under the agreement, AT&T will supply 13 large electronic switches that it said were worth "in the tens of millions of dollars."

These switches, the bulk of its investment, will be used to route calls over a new nationwide network that will reach about 60 percent of Ukraine's population, company officials said.

Once installed next month, the first switch will make it possible for the first time to dial telephone numbers directly in Ukraine, without having to first be connected through Moscow's antiquated and overloaded telephone system.

"We are looking at a market where there is a great deal of pent-up demand," said Randall Tobias, vice chairman of AT&T. With a population of 52 million in Ukraine, he said, "we are dealing with a market here, in terms of geography and population, that is just about the size of France."

Industry analysts said AT&T's gamble was small, relative to its size, and a good one to balance.

"The significance of this lies not in its immediate financial impact, because neither the investment nor the possible profits are likely to shift earnings much in either direction," said Gregory Savers, a telecommunications analyst at Sanford C. Bernstein & Co.

"The significance is that this is the first concrete step by AT&T outside the equipment business to globalize its business."

Mr. Tobias made it clear that AT&T was eager to attract similar business with other parts of the former Soviet Union and said his company had been in discussions "for a long time" with other republics, and both the old and new central governments. Asked if other deals were possible, he said, "I certainly wouldn't rule that out."

Although AT&T is one of the world's biggest providers of international telephone service by virtue of its dominant share of calls to and from the United States, it has thus far had little presence as a service provider within other countries. In large part, that is because most countries have until recently controlled their telephone industries through state-owned monopolies.

Increasingly, however, U.S. regional telephone companies and foreign telephone companies like Britain's Cable & Wireless PLC and BT PLC formerly British Telecommunications, have begun investing in cellular franchises, long-distance services and newly privatized telephone companies being sold in Eastern Europe, Asia and Latin America.

No-Growth Bundesbank

FRANKFURT — The creation of more office space at the Bundesbank has been put on hold because of plans for a European central bank that were approved at the European Community meeting at Maastricht, the Netherlands.

The Bundesbank would cease to be responsible for Germany monetary policy when the European central bank came into operation. The Bundesbank said Wednesday that in view of the EC agreement, the central bank's directors feel "it is not acceptable to pursue sizable construction measures at a considerable cost."

GROUPES SIB

CALOR. ROWENTA. SEB. TEFAL

1991 PRELIMINARY CONSOLIDATED SALES

Table with 3 columns: (FRF million), 1991, 1991/1990. Rows: France, Germany, Other European countries, Outside Europe, Total.

Groupes SIB, Service Communication B.P. 172 - 69132 ECULLY CEDEX - FRANCE Tel. (33) 72 20 16 30

REPUBLIC OF KENYA MINISTRY OF PUBLIC WORKS SECTION 1-INVITATION TO PREQUALIFY ZWA-KITALA ROADS PROJECT

1.0 The Government of the Republic of Kenya has received a loan from the African Development Fund (ADF) in various currencies towards the cost of Zwa-Kitala, Coombe Corner-Kipson and Mt. Moi's Bridge Road Project and it is intended that part of the proceeds of this loan will be applied to eligible payments under the contract to which the prequalification notice applies.

2.0 The project consists of construction of about 88 km single carriageway bitumen road having 6.0 meters wide carriageway and 2 x 1.25 meters wide shoulder for Zwa-Kitala Road (62 Km), and 6.0 meters wide carriageway and 2 x 1.0 meters shoulders for both Coombe Corner-Kipson to Mt. Moi's Bridge (15 Km). The project is situated in Uasin Gishu and Trans-Nzoia districts of Rift Valley Province of Kenya, approx. 380 Km North-West of Nairobi, the capital of Kenya.

The approximate quantities of the main items of the works are: a) Earthworks: 657,000 m<sup>3</sup> b) Lime Improved Subbase: 130,400 m<sup>3</sup> c) Cement Improved/Graded crushed stone base: 70,000 m<sup>3</sup> d) Double Surface Dressing: 10-14 mm + 10-10mm e) Reinforced Concrete Bridges: 13 x 8 m f) Reinforced Box culverts: 13

The works also include site clearance, culverts, drainage and miscellaneous works. The contract period for these works will be 36 months.

3.0 Only qualified contractors from member countries of the African Development Bank (ADB) and ADF State participants are eligible to apply for prequalification. All goods and services to be supplied under the proposed contract shall have their origin from member countries of ADB and ADF state participants.

4.0 Contractor's wishing to prequalify, shall comply with requirements set out in the prequalification questionnaire which will include but not be limited to the following:

a) Contractor shall have experience of road construction of similar magnitude in Africa or other tropical countries.

b) Contractor shall have had an annual road construction turnover in the last three years of not less than: (FRS) 5 million - Kenya Pounds.

c) Joint Venture or consortia of two or more contractors shall submit prequalification data for each of the member contractors, together with an affidavit signed by all parties of the proposed venture or consortia declaring their intent to form a consortium. Intention to bid shall be issued to prequalified contractor only.

5.0 Interested eligible applicants can obtain the Prequalification Questionnaire from the Chief Engineer (Roads) of the address given below after payment of a non-refundable fee of K.Shs. 1,500. This fee shall be paid by a bankers cheque drawn from a Bank in Kenya and shall be payable to the Permanent Secretary, Ministry of Public Works, P.O. Box 32842, NAIROBI, KENYA, Room 610, TRANSCOM HOUSE T.B.L. 723101 EXT. 3121, TEL: 221 74 HANOVERS

The Government reserves the right to reject any or all applications without giving reasons for it. ENG. S.N. OTONGLO, CHIEF ENGINEER (ROADS) FOR PERMANENT SECRETARY

CURRENCY RATES

Table with columns: Cross Rates, Jan. 15, and various currency pairs like \$/DM, \$/FF, etc.

Other Dollar Values

Table with columns: Currency, Par \$, and various currencies like Argentine peso, Austral, etc.

Forward Rates

Table with columns: Currency, 30-day, 60-day, 90-day, and various currencies like Swiss Franc, etc.

INTEREST RATES

Table with columns: Eurocurrency Deposits, Jan. 15, and various terms like 1 month, 3 months, etc.

Table with columns: Key Money Rates, Jan. 15, and various rates like US dollar, etc.

Table with columns: Asian Dollar Deposits, Jan. 15, and various terms like 1 month, 3 months, etc.

Table with columns: U.S. Money Market Funds, Jan. 15, and various funds like Merrill Lynch Ready Assets, etc.

GOLD

Table with columns: Jan. 15, and various gold prices like Spot, etc.

Source: Reuters, Salomon Brothers, Bank of Tokyo, etc.

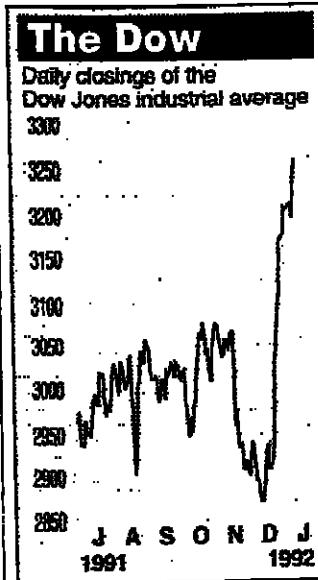
Wheatley Investment value Leveraged Capital Holdings N.V. in 13-01-1992 U.S. \$462.39



MARKET DIARY

Dow Hits Record 2d Day in a Row

NEW YORK — Prices on the New York Stock Exchange closed Wednesday at record levels amid scattered signs of better-than-expected fourth-quarter earnings. The Dow Jones average of 30 industrials, which had risen 60.60 points on Tuesday, rose another 12.30 to close at 3,258.50, hitting a new closing high for the sixth time in the 10 trading sessions in 1992.



NYSE Most Active

Table listing NYSE Most Active stocks including Citicorp, Amgen, RJR, and others with their respective volume and price changes.

AMX Stock Index

Table showing AMX Stock Index performance with columns for High, Low, and Close.

NYSE Diary

Table detailing NYSE trading activity, including advanced, declined, and unchanged issues.

Amex Diary

Table detailing Amex trading activity, including advanced, declined, and unchanged issues.

NASDAQ Diary

Table detailing NASDAQ trading activity, including advanced, declined, and unchanged issues.

Dow Jones Averages

Table showing Dow Jones Averages for Industrials, Utilities, and Finance.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes for Industrials, Utilities, and Finance.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrials, and Utilities.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrials, and Utilities.

AMEX Stock Index

Table showing AMEX Stock Index performance.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 20 Bonds and 10 Industrials.

Market Sales

Table showing Market Sales for NYSE, Amex, and NASDAQ.

S&P 100 Index Options

Table showing S&P 100 Index Options for various months.

EUROPEAN FUTURES

Table showing European Futures for Food and Sugar.

Metals

Table showing European Futures for Metals.

Financial

Table showing European Futures for Financial instruments.

Long Oil (LIFFE)

Table showing European Futures for Long Oil.

Wheat (CBOT)

Table showing European Futures for Wheat.

Grains

Table showing European Futures for Grains.

Wheat (CBOT)

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Grains

Table showing European Futures for Grains.

Wheat (CBOT)

Table showing European Futures for Wheat.

GERMAN GOVERNMENT BOND (LIFFE)

Table showing German Government Bond prices.

Industrials

Table showing German Industrial prices.

Stock Indexes

Table showing German Stock Indexes.

Spot Commodities

Table showing German Spot Commodities.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading.

Dividends

Table showing Dividends for various companies.

Core Industries

Table showing Core Industries performance.

REVERSED STOCK SPLIT

Table showing Reversed Stock Splits.

USUAL

Table showing Usual market activity.

BRITISH POUND (IHM)

Table showing British Pound prices.

CANADIAN DOLLAR (IHM)

Table showing Canadian Dollar prices.

HI GRADE COPPER (COMEX)

Table showing Hi Grade Copper prices.

SOYBEANS (CBOT)

Table showing Soybeans prices.

SOYBEAN OIL (CBOT)

Table showing Soybean Oil prices.

Livestock

Table showing Livestock prices.

CATTLE (CME)

Table showing Cattle prices.

FEEDER CATTLE (CME)

Table showing Feeder Cattle prices.

FINANCIAL

Table showing Financial market activity.

FOOD

Table showing Food market activity.

AMR Reports Worst Annual Loss

DALLAS (AP) — American Airlines' parent company, AMR Corp., said Wednesday that it had a loss of \$124.9 million in the final three months of 1991 and a staggering \$239.9 million shortfall for the full year.

Alcoa Hurt by Aluminum Surplus

PITTSBURGH (Reuters) — Aluminum Co. of America, the world's largest aluminum producer, reported Wednesday a bigger fourth-quarter loss than a year earlier caused by a worldwide surplus of aluminum that has depressed prices.

Vote Alters General Dynamics Plan

WASHINGTON (Bloomberg) — General Dynamics Corp. shareholders voted Wednesday to revise a controversial incentive plan that paid out more than \$26 million to company executives in less than a year.

Banks Break Off Talks on Merger

BOSTON (AP) — Shawmut National Corp. said Wednesday that it had broken off merger talks with Bank of Boston Corp., ending months of negotiations that would have combined two troubled banks into the largest in New England.

Inventories Rise 3d Month in a Row

WASHINGTON (Reuters) — Stocks of unsold goods at U.S. businesses rose for the third consecutive month in November, the government said Wednesday, a sign of feeble consumer demand in late 1991.

For the Record

Musical America, the oldest U.S. magazine devoted to classical music, has ceased publication, having had losses of \$700,000 in 1991, and the January-February issue is to be the bimonthly magazine's last.

DOLLAR: U.S. Unit Races Ahead

(Continued from page 1) A euphoria in these action-packed, emotion-packed markets.

Other comments also sent warnings of a possible bubble.

Scott Black, president of the money-management firm Delphi Management, described the market as the most speculative he had seen since 1974 and said it did not "reflect the fundamentals of corporate America."

The stock market has taken the dollar up with it as foreigners piled into the market powered by domestic investors.

John Hazleton, chief trader for Chemical Bank, said most of his business was technical and had come from traders caught short.

LLOYD'S: Corporate Members Proposed to Stem Losses by Underwriters

(Continued from first finance page) say out any money until 1997, since it covers losses accumulated over a four-year period.

The radical proposal to throw open the doors of Lloyd's to corporations has an even cloudier future.

One of the most valuable aspects of the task-force report, according to some observers, is that it allows Lloyd's to show that it is doing something that it is trying to reform itself.

As public exercises go, the release of the report and the eagerness with which Mr. Rowland embraced its content was a triumph — with one exception.

The dollar also gained about 2 yen, climbing to 128.25, after 126.30.

WORLD STOCK MARKETS

Large table showing world stock market indices for various countries including Amsterdam, Brussels, Frankfurt, London, and others.

Market Closed

The stock market in Tokyo was closed Wednesday for a holiday.

For investment information read THE MONEY REPORT every Saturday in the IHT

Large vertical advertisement on the right side of the page, featuring the text 'made-by' and 'for L' at the top, and 'NASDA' in large letters at the bottom.



# Bundesbank Aide Sees Hope for Lower Rates

By Richard E. Smith  
International Herald Tribune

FRANKFURT — A board member of the Bundesbank's policy-making council voiced hope Wednesday that German interest rates would drop, but the Bundesbank president, Helmut Schlesinger, again defended current levels.

Wilhelm Nölling, a member of the Bundesbank board and president of the central bank of Hamburg, said in a speech that a drop in rates from the current postwar record levels would only be "a matter of time" once years of high wage settlements and public deficits began to subside.

Mr. Schlesinger, taking his case to American and French audiences, defended the half-point increase in the Lombard and discount rates in December. French and U.S. officials, eager for a worldwide drop in rates to spur sagging economies,

have been among the more outspoken critics of the move.

In an interview with the French daily Le Figaro, Mr. Schlesinger emphasized the role of the German economy and of the Deutsche mark as anchors for the rest of Europe.

"When Germany raises its rates, it is also doing so in the interest of its European partners," he said. "Inflation in Germany would certainly lead to higher prices in France."

In a speech written for delivery in New York on Wednesday, Mr. Schlesinger noted that the rise in German rates reflected a difference in strategy compared to U.S. efforts to spur growth through lower rates.

He repeated that the Bundesbank's primary goal was to cut inflation in half, to 2 percent, and said he was "rather skeptical" about policies that focused instead on spurring growth by lowering rates.

# East Lags In German GNP Data

Compiled by Our Staff From Dispatches

FRANKFURT — The gap between Eastern and Western Germany was highlighted on Wednesday by figures showing that the East, with 20 percent of the population of united Germany, produced just 6.9 percent of the country's gross national product last year.

The data also confirmed what economists already knew: growth in the West slowed sharply in 1991 as the global downturn and tax rises robbed the economy of the dynamism gained from unification.

But officials rejected suggestions that Europe's biggest economy was in recession despite a contraction in the second and third quarters of 1991, and probable stagnation in the fourth. (Fourth-quarter data are to be released in March.)

"I do not consider the word recession appropriate at the moment," said Wolfgang Stroh, chief economist of the Federal Statistics Office. He said growth was merely slowing after the surge prompted by unification in 1990, which sent many East Germans on shopping sprees in the West.

The statistics office said Western Germany's GNP rose 3.2 percent last year, down from 4.5 percent in 1990 and the slowest growth since 1.5 percent in 1987.

The West's GNP was put at 2.61 trillion Deutsche marks (\$1.66 trillion), the third biggest in the world after the United States and Japan.

Eastern GNP was put at 193.1 billion DM. There were no comparative figures for 1990, but independent analysts believe the region's economy shrank at a double-digit rate last year. (AFP, Reuters, AP)

# EC Defends Regulatory Zeal

## Some 'Good-Humored' Replies to Condom Complaints

By Charles Goldsmith  
International Herald Tribune

BRUSSELS — The EC Commission, stung by charges that it intrudes into "every nook and cranny" of life, has launched a spirited defense of proposals to regulate everything from the quality of condoms to the curve of cucumbers.

The Commission is convinced that reports of scheming by uniform-crazed Eurocrats are accepted as truth unless quickly countered, so it is distributing rebuttals in advance.

"An immediate, simple and good-humored reply to each and every allegation of 'Euromadness' is our best line of defense," says an internal document accompanying "argumentation sheets" on a range of sensitive subjects.

Many critics have complained, for example, that the Commission was seeking to harmonize standards in areas that were none of the Community's business — such as condoms and cucumbers.

Proposed standards for condoms, the Commission document counters, stem from a 1989 declaration by EC health ministers calling for measures "to ensure that condoms available in the member states are of the necessary quality." It also says that specifications on size and material will be set by experts in an independent organization called the European Committee for Standardization, and not by EC functionaries in Brussels.

Cucumbers fall under an EC law on perishable goods. The Commission insists that rules refer to "curves" for "good practical reasons" — so they can be packed in boxes in regular quantities.

The Commission was perhaps most annoyed by reports in Britain's tabloid press that a "snack directive" was aimed at outlawing the prawn-flavored potato chips so popular among British palates. At least one tabloid reported that "Bruiser Bangemann" was seeking to "crush our crisps," referring to the internal market commissioner, Martin Bangemann.

"There exists no 'snack directive' or any other directive on specific foods," the Commission says. "On the other hand, there is a general directive concerning food additives based on health, safety and fair trading criteria."

The potato-chip dispute, since resolved, centered on an artificial sweetener used in the prawn-flavored snacks and could have been avoided if British chip manufacturers had paid attention in the early stage of legislative drafting, the Commission says.

The document was issued to European Community officials who handle inquiries from the media, national parliaments and other parties. It seeks to stress that seemingly "out of the blue" EC proposals are in fact part of existing legislative programs — often initiated by member states or the European Parliament.

"It is absolutely false to present the Commission as following its own legislative agenda leading it into every nook and cranny of everyday life," the paper says.

Shortly before last month's summit of EC leaders in the Dutch town of Maastricht, the British foreign secretary, Douglas Hurd, charged that the Commission was poking its way into society's "nooks and crannies," thus forever entrusting the phrase into the EC glossary.

Still, nobody expects the Commission's efforts at preemptive public relations to shield it from future barbs. With 11,000 employees and increasing clout in areas including competition and the environment, the executive agency is a big target.

"It's very easy to make a joke out of the fact that the Commission, to define what is a jam, needs more words than there are in the American constitution," an EC diplomat said. "There will always be ample opportunity to poke fun at the Commission."

**Caution on Milk Hormone**

The EC Commission said Wednesday it remained skeptical about authorizing the genetically engineered growth hormone bovine somatotropin, which boosts a cow's milk output. Agence France-Press reported from Brussels.

The Commission said the hormone, which EC ministers have banned until the end of 1993, proved to carry no health risk for humans, could be harmful for cows, expand the Community's growing milk surplus and cause environmental damage by fostering the geographical concentration of dairy farms.

# French Inflation at 3.1%

PARIS — The government reported Wednesday that consumer prices rose 3.1 percent in 1991, and Finance Minister Pierre Bérégovoy said inflation, France's "old demon," was under control.

The national statistics office reported that prices rose 0.1 percent in December from November.

With little more than a year until it faces national legislative elections, the government's success on inflation risks being overshadowed by unemployment, which is at 9.8 percent and rising.

But France may be in good shape to profit from an upturn in the world economy. Mr. Bérégovoy said that since 1988, France's cumulative inflation was 7 percentage points below the European average.

"That means we've gained in competitiveness, the price of our products is lower and we are selling more abroad," he said.

The news bolstered stocks and bonds. The CAC-40 index rose 29.82 points to 1,873.62, and 10-year government bond yields fell to 8.41 percent, their lowest level in nearly two-and-a-half years.

# CALLS: Tapping a Low-Cost Line

(Continued from first finance page)

Mr. Jonas, however, said that his service was economical for clients making about \$500 to \$600 a month in intercontinental calls from Europe. He estimated savings at 50 percent on a call from France to the United States, 66 percent from Italy and 60 percent from Germany. Callers also can use the service to take advantage of the cheaper U.S. rates to South America, he said.

He added that AT&T charges a \$2.50 surcharge on each call through its USA Direct service, the caller has to read his credit card number and the phone number to an operator.

"Our service is faster," Mr. Jonas said, "and once you have the dial tone, you can make multiple calls."

# INSURE: U.S. Firm Has Become a Card-Carrying Member of Japan Inc.

(Continued from first finance page)

Hitachi, Sony, Toyota, Nissan, Dai-ichi Kangyo Bank, Sumitomo Bank, Mizui, Mitsubishi and thousands of others. Policyholders pay their premiums, about \$21 a month, by automatic payroll deductions.

The popularity of cancer insurance in Japan is explained by the nation's social quirks and healthcare policies. Traditionally, the Japanese word for cancer, *gan*, was superstitiously avoided in conversation. Until recently, routine breast examinations for women were not done and doctors did not tell patients when they had cancer.

In 1981, Atsuko Chiba, a freelance journalist who later died of cancer, broke the taboo by writing a best-selling book on her battle

with the disease, a book that condemned the Japanese medical profession and increased public awareness of cancer.

The Japanese are long lived, with the life expectancy at 76 years for men and 81 years for women. But cancer is the leading killer. The Japanese are heavy smokers, and lung cancer is increasing. They also have an extremely high rate of stomach cancer. The cause is not known, but the salty Japanese diet is one suspect.

In Japan, cancer patients typically pay \$300 to \$800 a day for hospital stays, beyond the bills paid by national and employer health plans. Aflac's supplemental insurance eases that burden.

The Japanese often stay in hospitals until they are ready to return to work. The average length of hospitalization for initial treatment of cancer is 49 days in Japan, compared with fewer than 13 days in the United States.

Aflac's runaway success in Japan has not been mirrored in the United States. The company is the market leader, but cancer insurance has traditionally had a somewhat unsavory reputation in America.

Some states, including New York, New Jersey and Connecticut, restrict the sales of such "dread disease" policies. In the early 1980s, the Senate held hearings on cancer insurance in response to complaints that scare tactics were used to sell policies.

Aflac and other insurers, experts say, have corrected any suspect selling tactics.

"We're not getting complaints about cancer insurance anymore," said Dr. Gerald Murphy, the chief medical officer of the American Cancer Society. "If there was a problem, we would be."

Still, insurance experts doubt whether single-disease insurance will ever do well in the United States and point out that group health plans pay out a higher share of their premium income in benefits.

"No matter how popular it may be in Japan, it's a stupid way to buy insurance," said Robert Hunter, president of the National Insurance Consumer Organization.

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
1700	2700	1800		
1650	2600	1700		
1600	2500	1600		
1550	2400	1500		
1500	2300	1400		
1450	2200	1300		
1400	2100	1200		
1350	2000	1100		
1300	1900	1000		
1250	1800	900		
1200	1700	800		
1150	1600	700		
1100	1500	600		
1050	1400	500		
1000	1300	400		
950	1200	300		
900	1100	200		
850	1000	100		
800	900	0		
750	800	-100		
700	700	-200		
650	600	-300		
600	500	-400		
550	400	-500		
500	300	-600		
450	200	-700		
400	100	-800		
350	0	-900		
300		-1000		
250		-1100		
200		-1200		
150		-1300		
100		-1400		
50		-1500		
0		-1600		
		-1700		
		-1800		
		-1900		
		-2000		
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		-2900		
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		-5900		
		-6000		
		-6100		
		-6200		
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		-6700		
		-6800		
		-6900		
		-7000		
		-7100		
		-7200		
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		-7700		
		-7800		
		-7900		
		-8000		
		-8100		
		-8200		
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		-8800		
		-8900		
		-9000		
		-9100		
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		-9300		
		-9400		
		-9500		
		-9600		
		-9700		
		-9800		
		-9900		
		-10000		

Exchange	Index	Wednesday Close	Preceding Close	% Change
Amsterdam	CBS Trend	120.30	118.00	+1.95
Brussels	Stock Index	5,676.91	5,580.88	+1.72
Frankfurt	DAX	1,667.50	1,628.53	+2.39
Frankfurt	FAZ	672.77	658.53	+2.16
Helsinki	HEX	877.70	860.90	+1.95
London	Financial Times 30	1,940.60	1,905.40	+1.85
London	FTSE 100	2,537.10	2,516.30	+0.83
Madrid	General Index	258.82	252.37	+2.56
Milan	MIB	1,083.00	1,061.00	+2.07
Paris	CAC 40	1,873.63	1,843.81	+1.62
Stockholm	Affarsvarlden	946.35	922.39	+2.49
Vienna	Stock Index	N.A.	431.45	
Zurich	SBS	N.A.	616.20	

Sources: Reuters, AFP

# Very briefly:

- Porsche AG said net consolidated profit fell 70 percent to 17 million DM (\$10.8 million) in the year to end-July, from 57 million DM.
- ASDA Group PLC had a pretax loss for the 28-week period that ended Nov. 9 of £68.8 million (\$123.9 million), after a pretax profit of £58.4 million, because of a £78.9 million charge.
- Sanofi SA, the French drugs and beauty-products group, agreed in principle to sell its Florbath and Fendi Profumi units to Benciser Holding GmbH of Germany. Terms were not disclosed.
- Thames Water PLC agreed to pay £33 million for Mitteldeutsche Wasser & Umwelttechnik AG, an engineering business based in Halle, Germany; it also is buying FBL Holdings Inc., which operates in the U.S. municipal water-treatment sector, for £25.9 million.
- Total SA will acquire Yacco, which specializes in motor oils and has sales of 300 million francs (\$56 million); terms were not disclosed.
- Olivetti SPA said sales last year declined about 5 percent to 8.6 trillion lire (\$7.36 billion).
- Finland's annual inflation rate rose to 3.9 percent last month, after 3.3 percent in November, when the markka was sharply devalued.
- Crédit Local de France said that profit last year rose 14 percent to 1.06 billion francs and that the outlook for 1992 was good.

# Siemens to Lead Ankara Rail Project

ERLANGEN, Germany — An international consortium led by Siemens AG has won a 518 million Deutsche mark (\$330 million) contract to build a rail transit system for the city of Ankara, the German electronics company said Wednesday.

A Siemens spokesman said the company's share of the order was valued at 200 million DM. The other members of the consortium include AEG-Westinghouse Transport-Systeme, a joint venture of Westinghouse Electric Corp. and AEG, Breda SPA of Italy, the Turkish construction group Kulutas, and Siemens' Turkish unit Simco.

The group will build and start up the 8.5 kilometer (5.3 mile) rail system by 1994. German banks are to cover 244 million DM of the project's total value, the Siemens spokesman said.

NASDAQ Wednesday's Prices									
12 Month High	Low	Stock	Div	Yield	PE	52 Week High	Low	PA	CP
110	100	AA	0.00	0.00	10	110	100	AA	0.00
120	110	AB	0.00	0.00	10	120	110	AB	0.00
130	120	AC	0.00	0.00	10	130	120	AC	0.00
140	130	AD	0.00	0.00	10	140	130	AD	0.00
150	140	AE	0.00	0.00	10	150	140	AE	0.00
160	150	AF	0.00	0.00	10	160	150	AF	0.00
170	160	AG	0.00	0.00	10	170	160	AG	0.00
180	170	AH	0.00	0.00	10	180	170	AH	0.00
190	180	AI	0.00	0.00	10	190	180	AI	0.00
200	190	AJ	0.00	0.00	10	200	190	AJ	0.00
210	200	AK	0.00	0.00	10	210	200	AK	0.00
220	210	AL	0.00	0.00	10	220	210	AL	0.00
230	220	AM	0.00	0.00	10	230	220	AM	0.00
240	230	AN	0.00	0.00	10	240	230	AN	0.00
250	240	AO	0.00	0.00	10	250	240	AO	0.00
260	250	AP	0.00	0.00	10	260	250	AP	0.00
270	260	AQ	0.00	0.00	10	270	260	AQ	0.00
280	270	AR	0.00	0.00	10	280	270	AR	0.00
290	280	AS	0.00	0.00	10	290	280	AS	0.00
300	290	AT	0.00	0.00	10	300	290	AT	0.00
310	300	AV	0.00	0.00	10	310	300	AV	0.00
320	310	AW	0.00	0.00	10	320	310	AW	0.00
330	320	AX	0.00	0.00	10	330	320	AX	0.00
340	330	AY	0.00	0.00	10	340	330	AY	0.00
350	340	AZ	0.00	0.00	10	350	340	AZ	0.00
360	350	BA	0.00	0.00	10	360	350	BA	0.00
370	360	BB	0.00	0.00	10	370	360	BB	0.00
380	370	BC	0.00	0.00	10	380	370	BC	0.



# NYSE

**Wednesday's Closing**  
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

High	Low	Stock	Div	Yld	PE	High	Low	PA	CP
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100

High	Low	Stock	Div	Yld	PE	High	Low	PA	CP
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100

High	Low	Stock	Div	Yld	PE	High	Low	PA	CP
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100

# AMEX

**Wednesday's Closing**  
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

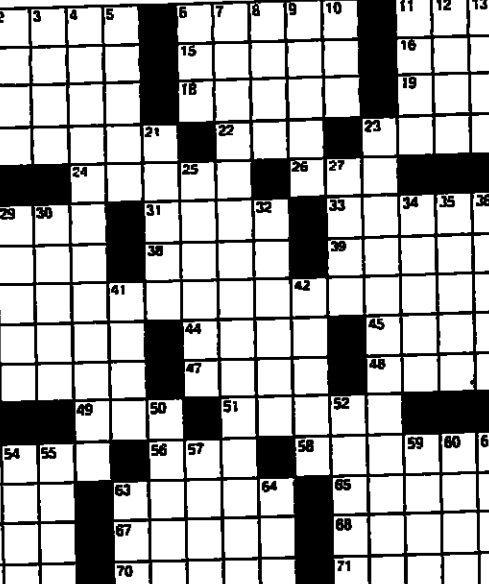
High	Low	Stock	Div	Yld	PE	High	Low	PA	CP
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100

High	Low	Stock	Div	Yld	PE	High	Low	PA	CP
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100

High	Low	Stock	Div	Yld	PE	High	Low	PA	CP
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100

- ACROSS**
- 4 Treaties
  - 6 "La Gioconda" letter writer
  - 11 Mikhail of chess
  - 14 Cruising
  - 16 Gnn
  - 16 Poetic pugilist
  - 17 Southern constellation
  - 18 Some Prado paintings
  - 19 Operated
  - 20 Welcomes
  - 22 "Civil Elegies" poet
  - 23 Lady of Lisbon

- 24 "Fools are my" Byron
- 28 Sara "Legend"
- 28 High Comb. form
- 31 Tabula
- 32 Un. deux.
- 37 School follower
- 38 Blast-furnace part
- 39 Frontal-bone locale
- 40 " kind friends.
- 43 Latvians
- 44 Baksheesh



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**Solution to Puzzle of Jan. 15**

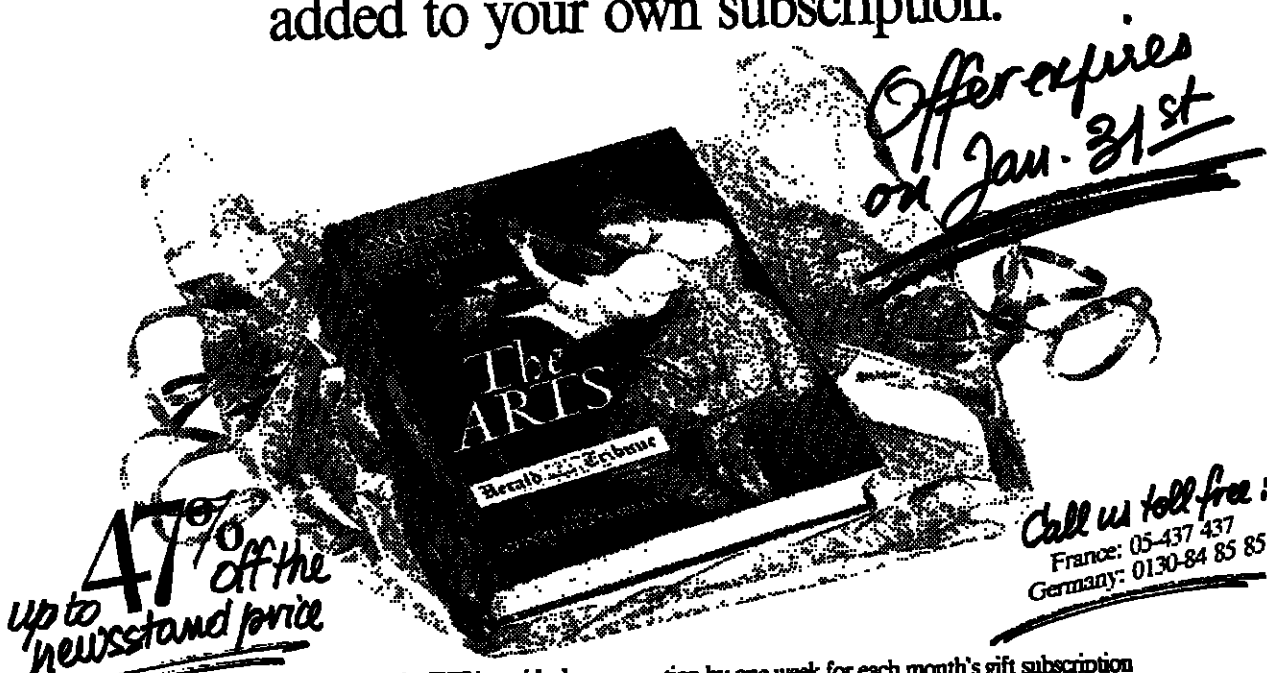
**ACROSS**

1 TREATIES  
6 LA GIOCONDA  
11 MIKHAIL  
14 CRUISING  
16 GNN  
16 POETIC PUGILIST  
17 SOUTHERN  
18 PRADO  
19 OPERATED  
20 WELCOMES  
22 CIVIL ELEGIES  
23 LADY OF LISBON

**DOWN**

1 PAIN  
2 INSTRUMENT  
3 CUSTODY  
4 KEEPING  
5 RHYME  
6 DOCTRINE  
7 PACK UP YOUR TROUBLES  
8 BLARNEY'S LOCALE  
9 PRELUCE  
10 THUMBS UP  
11 ELEPHANT'S EAR  
12 SENATOR  
13 DIRECTOR  
14 WERTMULLER  
15 SYRACUSE  
16 O'NEILL  
17 MILTON  
18 CORONATION  
19 MAN'S MAN  
20 LIBERA NOS  
21 MONOGRAM  
22 CART  
23 EMULATE  
24 PAULSEN  
25 DIGESTION  
26 SWINGS  
27 J.E.C.'S  
28 WEDDING  
29 SMOOTH  
30 PONSSELLE  
31 PRICE  
32 SHIRT  
33 BIRDS  
34 INTERNAL  
35 SQUEALS  
36 DAS  
37 RHEINGOLD  
38 ALTE  
39 UPROAR  
40 KIND  
41 R-V  
42 ALTE

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High	Low	Stock	Div	Yld	PE	High	Low	PA	CP
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100
30 1/2	30 1/4	USX	1.50	3.7	21 1/2	30 1/2	30 1/4	100	100

**in Ven**

**Banks**

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**MANAGE**

**MEDIC**

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**INTERN**  
**HERALD**



# GM in Venture to Make Trucks in China

*Compiled by Our Staff From Dispatches*  
**BEIJING** — General Motors Corp. hit hard by slack auto sales in the United States and by tough Japanese competition, on Wednesday announced a \$100 million joint venture to make pickup trucks in China.

A GM spokesman, David Bodkin, said the joint venture with Gold Cup Automotive Co. would start at the end of the second quarter and would assemble 600 to 1,000 S-10 pickups from North American-made kits this year.

The venture hopes to turn out 50,000 vehicles a year by 1993 while gradually increasing the local-parts content.

Diesel has a technological cooperation agreement to make trucks as well.

Crippling import taxes on car parts have hit foreign companies assembling kits for sale in China. The companies also have had problems with sourcing parts here, with government-imposed production ceilings and with obtaining enough hard currency to import their kits.

In 1990, the Chinese government spent some \$200 million to bail out foreign joint ventures, including big carmakers, hit hard by a tough austerity program.

The new venture will be a marriage of two sibling companies. General Motors had a loss of \$2.2 billion in the first nine months of 1991. Although it has the capacity to make 6 million vehicles a year in North America, its sales have fallen to less than 4 million.

Gold Cup, a state-owned company in the heavily industrialized northeastern city of Shenyang, had a loss of 60 million yuan (\$11 million) in 1990, the largest of any company in the city. Mr. Bodkin said Gold Cup reported a profit in 1991.

"We were introduced to them in 1988. We were pleased with their management policy and their facilities," he said. "We've stayed with them in the throes of a few poor years. If you look at the long term we're confident we can work with them and make it successful."

Gold Cup already is producing vans from complete knockdown kits bought from Toyota Motor Co. Gold Cup also makes its own minibuses and trucks.

Mr. Bodkin said General Motors had not yet set a price for its pickups but said the company was seeking Chinese government approval to demand partial payment in hard currency.

Faced with a hard-currency shortage, Volkswagen has begun looking to export some of its Shanghai-made Santana passenger cars.

The foreign companies operating here generally have hoped to expand auto purchases inside China, where few private individuals own cars. But the government's goal has been to substitute some of the joint-venture-produced cars for imports and then export the rest.

(AP, Reuters)

# Shanghai Firm to Issue Equity to Foreigners

*The Associated Press*  
**BEIJING** — A state-owned Shanghai company has been authorized to become the second Chinese company to issue stock for sale abroad, the People's Daily newspaper announced Wednesday.

Shanghai Vacuum Electronic Device Corp., which makes television picture tubes, will issue 1 million shares on Monday at a price of 420 yuan (\$77).

The shares are of the new, B class pioneered last month by a Shenzhen company, China Southern Glass. Although denominated in yuan, the B shares are sold for foreign currency to foreign investors.

The new issue will be underwritten by SBCI Finance Asia Ltd., a subsidiary of Swiss Bank Corp., Sun Hung Kai & Co. of Hong Kong and Salomon Brothers.

# Hyundai Bars Workers As Auto Strike Looms

*Compiled by Our Staff From Dispatches*  
**SEOUL** — South Korea's largest automaker, Hyundai Motor Corp., locked out workers Wednesday at its five assembly plants in the southeastern city of Ulsan to head off a strike planned by more than 30,000 union members.

The move prompted a protest rally by thousands of workers, while Labor Minister Choi Byung Yul warned that the government would use force to end disputes at Hyundai. "We will have no choice but to use police if the situation grows worse," he said.

About 10,000 riot police were ready to gather in Ulsan, 325 kilometers (203 miles) southeast of Seoul, to end Hyundai's monthlong dispute, according to the Yonhap news agency.

Hyundai's management decided to close the plant after a work slowdown that reduced production by as much as 80 percent this week, company officials said. They said the company would not pay wages during the shutdown.

The closure came one day after the company's 28,000 union members voted to go on strike, possibly next week, to press their demand for special bonuses.

Union leaders rejected the company's decision and vowed to keep all workers inside the plant. "The decision is unilateral, and we do not accept it," a union leader said.

Hyundai says its lost production since early December has amounted to the equivalent of \$373 million. The company has the capacity to build 3,700 cars a day.

The dispute began Dec. 17, when the company's union demanded special year-end bonuses. Union members have rejected overtime and slowed their work, effectively crippling production. Hyundai's management claims it cannot afford additional bonuses because of reduced profits, high labor costs and lost production. (AP, AFP)

# Daewoo in Pyongyang Talks

*Compiled by Our Staff From Dispatches*  
**SEOUL** — Kim Woo Choong, head of the Daewoo Group, arrived in North Korea on Wednesday to discuss joint business ventures and investment, according to Daewoo officials.

The chairman of South Korea's fourth-largest conglomerate was the country's first business leader to visit Pyongyang since South and North Korea signed a reconciliation agreement Dec. 13. He was to discuss investment in textiles and footwear.

Meanwhile, Lucky-Goldstar International Corp. received 20,566 metric tons of coal from North Korea in the second barter deal between the two countries, the National Unification Board said; it shipped 2,100 TV sets and 200 metric tons of polyester film in return. (AP, AFP)

# Manila Reaches Terms With IMF

*Reuters*  
**MANILA** — The Philippines said Wednesday that it had agreed to terms for it to resume borrowing from the International Monetary Fund and accepted the Fund to endorse the program formally by the end of February.

President Corason C. Aquino vetoed a restriction in the 1992 national budget that would limit payments on the country's \$29 billion foreign debt to 10 percent of 1990 export revenue. Current payments are around 30 percent of exports.

Philippine borrowing from the IMF has been suspended since July, when the country failed to meet fiscal targets laid down in return for a \$900 million loan package agreed to in February 1991.

# Investor's Asia

Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	4,382.66	4,367.61	+0.34
Singapore	Straits Times	1,509.30	1,488.59	+1.39
Sydney	All Ordinaries	1,675.60	1,651.70	+1.45
Tokyo	Nikkei 225	Closed	21,775.13	-
Kuala Lumpur	Composite	592.28	546.63	+1.03
Bangkok	SET	742.99	732.10	+1.49
Seoul	Composite Stock	604.63	616.12	-1.86
Taipei	Weighted Price	4,939.07	4,947.16	-0.16
Manila	Composite	1,250.50	1,236.66	+1.63
Jakarta	Stock Index	250.14	251.41	-0.51
New Zealand	NZSE-40	1,503.70	1,478.32	+1.72
Bombay	National Index	936.69	929.82	+0.74

Sources: Reuters, AFP  
 International Herald Tribune

# Very briefly:

- New Zealand's inflation rate in 1991 was just 1 percent, the lowest level in 31 years, the Statistics Department said, and in the three months to December the consumer price index fell 0.1 percent.
- Caltex Pacific Indonesia has discovered oil in Riau Province in Central Sumatra, an official of the state-owned oil company Pertamina said.
- The International Natural Rubber Council, which groups Indonesia, Malaysia, Singapore, Sri Lanka and Thailand, is to meet in Thailand on Friday and Saturday to review a dormant producers' pact.
- The Japanese government has asked 226 companies to increase purchases of foreign-made semiconductors to help foreign companies gain a 20 percent market share. (AFP, Reuters, AP)

# Watanabe Calls for Japan Rate Cut

*Agence France-Press*  
**TOKYO** — Foreign Minister Michio Watanabe called Wednesday for a cut in Japan's key interest rate to help the slumping U.S. economy and avoid a plunge on Wall Street.

"If Japan fails to lower its interest rates further and stabilize its economy, stocks in the United States would be in danger of crashing," he said at a seminar in his constituency of Utsunomiya, north of Tokyo.

On Dec. 30, Japan lowered its discount rate from 4.5 percent, the third half-point cut in 1991, partly because of a U.S. demand that Japan cut interest rates to expand domestic demand and thus buy more American goods. The U.S. discount rate is 3.5 percent.

# 2 Thai Banks Win the License Race in Vietnam

*Compiled by Our Staff From Dispatches*  
**HANOI** — The government has decided to allow two Thai banks, Bangkok Bank Ltd. and Thai Military Bank, to open branches in Vietnam, making them the first foreign banks to be licensed to operate commercially here on their own, officials said Wednesday.

The licenses were granted on the first day of a visit to the country by Prime Minister Anand Panyarachun. At least eight other banks have been vying for licenses to open branches in Vietnam, according to the Vietnamese officials, including five French banks.

Also in Hanoi, a Japanese government delegation held talks with senior officials on resuming economic aid to Vietnam, which was suspended after Hanoi's troops invaded Cambodia in 1978.

The talks centered on scheduling repayment of about 20 billion yen (\$158 million) borrowed by the South Vietnamese government before it fell to the North in 1975, Japanese sources said.

The Thai banks will have their branches in Ho Chi Minh City. The Bangkok Bank president, Chatri Sophonpanich, said he hoped to open the branch office in the first half of this year.

Banque Française du Commerce

Extrieur, Crédit Lyonnais, Banque Indosuez, Banque Nationale de Paris and Société Générale have opened offices in Vietnam. Two joint-venture banks, one with Indonesia and the other with Malaysia, have been licensed to operate commercially in the past 15 months.

As part of the prime minister's visit, Thailand also offered Vietnam a 150 million baht (\$5.9 million) credit line to buy Thai goods, Thai officials said. The soft loan will be paid back at 3 percent interest after a five-year grace period.

The Japanese delegation, headed by Takao Kawakami, director of the Foreign Ministry's Economic Cooperation Bureau, arrived in Hanoi late Tuesday after a three-day visit to Ho Chi Minh City.

Mr. Kawakami then held talks with Deputy Foreign Minister Vu Khoan, and on Wednesday with Foreign Minister Nguyen Manh Cam and Deputy Prime Minister Phan Van Khai.

Meanwhile, nine foreign companies or groups of companies are expected to submit bids to Hanoi between Feb. 10 and Feb. 15 to try to develop an oil field off Vietnam's southern coast, a foreign oil industry source said. (AFP, Reuters)

# INTERNATIONAL RECRUITMENT

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SPORTS

With Ex-Hoosier, Ohio State Rallies But Indiana Wins

The Associated Press Lawrence Funderburke's return to Bloomington, Indiana, may not have been as a winner, but it did not lack for excitement.

COLLEGE BASKETBALL

ranked Indiana go on a final run Tuesday night for a 91-83 victory in at Big Ten Conference game.

"We wanted to win this one so bad, it was like a gut check," said Chris Reynolds, an Indiana guard.

Graham steered Indiana with a 3-pointer with 3:58 to go. It put the Hoosiers ahead to stay, 70-69, and began a decisive 20-6 run.

Funderburke stuck his hand in Bailey's face and was called for an intentional foul with 2:51 left in the game. Bailey, who collapsed on the floor, said later that he did not think Funderburke meant any harm.

No. 3 Oklahoma St. 64, Marquette 52; Sean Sutton and Darwyn Alexander led a second-half 3-point barrage that carried the Cowboys past Marquette (10-4).

Ohio State won its 25th straight home game in improving to 15-0, its best start since going 16-0 in 1950-51.

No. 8 Connecticut 87, Pittsburgh 77; Chris Smith scored 28 points in Hartford, and Connecticut overcame Pittsburgh's stingy defense to hand the Panthers their first Big East loss of the season.

Connecticut (12-1, 3-1) led by 14 points at halftime and held a comfortable lead throughout most of the second half. But the Panthers (11-5, 3-1) closed to 72-67 when Darren Morningstar hit a free throw with 5:16 left.

LSU 89, No. 9 Alabama 81; Shaquille O'Neal scored 29 points and Louisiana State finally began to live up to preseason billing, ending the Crimson Tide's eight-game winning streak in Tuscaloosa, Alabama.

The Tigers (8-4 overall, 2-1 in the Southeast Conference) began the year ranked sixth but fell out of the top 25 with three losses in their first six games.

Alabama (14-2, 2-1), which had just broken into the top 10, rallied from a 13-point deficit in the first half and went ahead for the first time with 16 minutes to go. But the Tide missed seven of its final 10 free throws, while LSU made nine of its last 12.

No. 16 Georgia Tech 75, Virginia 71; Travis Best, a freshman, scored 21 points, making four straight 3-pointers in the second half, as Tech (13-3 overall, 3-1 in the Atlantic Coast Conference) rallied to down Virginia in Atlanta.

Virginia (6-6, 2-2) was led by Bryant Stubb's 28 points. Miami 48, No. 17 St. John's 42; In their first Big East Conference game at home, the Hurricanes (6-9, 1-4) used a slowdown and second-half comeback to upset St. John's as Jake Morton and Trevor Burton each made two free throws in the final 18 seconds of the lowest-scoring game in Big East history.

Miami, which trailed by 27-19 early in the second half, scored eight straight points and shot out St. John's (9-4, 3-2) for more than five minutes to take a 37-31 lead with 2:48 left.

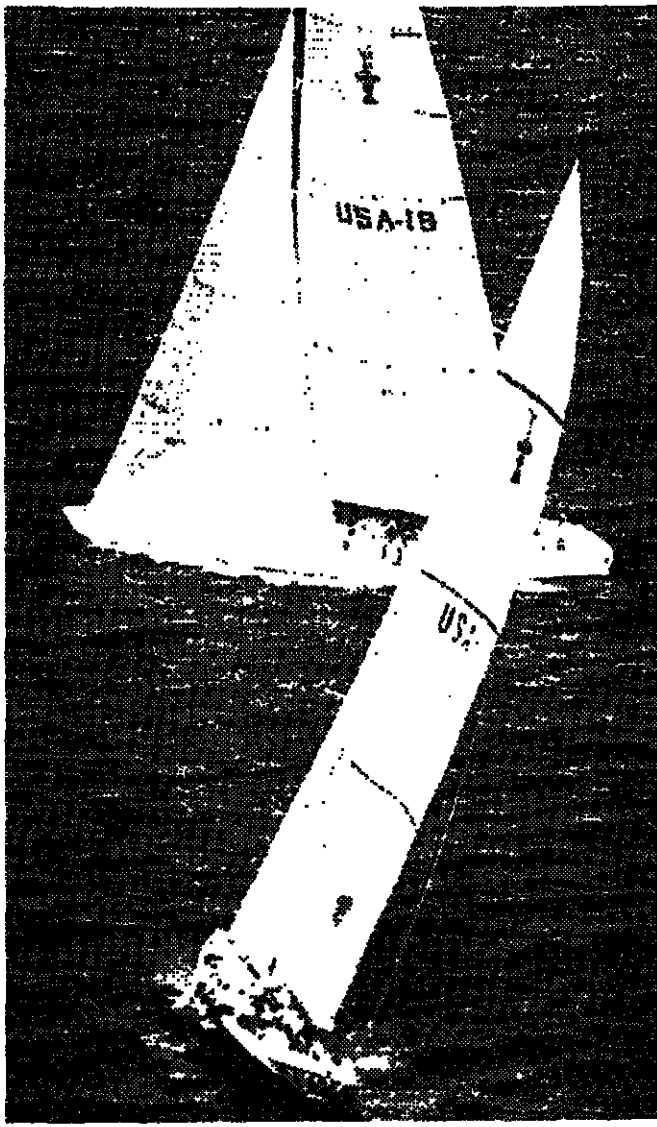
Florida 71, Wake Forest 64; The Seminoles (10-4 overall, 3-1 in the Atlantic Coast Conference) rallied to down Wake Forest in Raleigh, N.C.

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Defiant, bearing USA 18 on her sail, headed to the first mark with a large lead on Stars & Stripes and won the first race of the trials.

Conner Gets Salty Taste Of His Own Medicine

By Angus Phillips Washington Post Service

SAN DIEGO — It has been a dozen years since Dennis Conner redefined America's Cup racing by creating the multiple-boat, year-round Cup campaign.

His innovation has come back to haunt him. Conner, strapped for cash and forced to compete with just one boat against a well-heeled adversary who plans to use four, found himself Tuesday in an unfamiliar place: bringing up the rear to open the long 1992 Cup season with a stinging defeat.

In the first race of round-robin trials to select a defender, Conner's Stars & Stripes trailed 61-year-old Buddy Melges' Defiant from start to finish. In more than three hours of racing, Conner mounted just one brief threat, which quickly vaporized in the cool, dry breezes off Point Loma.

Melges, steering the second of four planned entries from multimillionaire Bill Koch's America 3 syndicate, crossed the finish 1 minute, 34 seconds ahead for the first victory of the Cup competition, which concludes in May with the 28th defense of yachting's grand prize.

"Obviously, our spirits are high," said Melges. "We're very encouraged." By contrast, it was a sobering start for Conner, 48, who has led the United States into the last four Cup regattas.

The year-old Stars & Stripes proved only similar in speed to Defiant and was never able to take the lead. The skippers chose opposite ends of the starting line, and the first time the boats crossed tracks on the first upwind leg, Defiant led by two boat lengths.

But after five legs of racing on the eight-leg course, a gentle northwester that had held steady at 6 to 10 knots all afternoon suddenly died, and Melges sailed into a pocket of dead air and slowed.

Conner, 41 seconds behind, saw his opportunity and tacked away, heading off to the left side of the course where a breeze remained. By the time Melges tacked over to join him, the two 75-foot (22.86-meter) racers were side by side.

Spectators in the fleet of 60-odd boats following the racers pressed to the rails to watch more closely, and some saw Conner raise his arms in apparent triumph when Melges was forced to tack away to escape Stars & Stripes' wind shadow.

But the sleek, white Defiant slid out ahead again in the light air to take a commanding lead. By the time he reached the upwind mark and turned for the final run to the finish, Melges had re-established a 67 second lead, biggest of the day to that point.

SIDELINES

3 European Teams to Play in U.S.

NEW YORK (Reuters) — The national teams of Italy, Ireland and Portugal will take part in a four-nation soccer tournament in the United States this year, the U.S. Soccer Federation announced.

The six-match, round-robin U.S. Cup will open on May 30 at RFK Stadium in Washington with the U.S. team playing Ireland. The tournament, which will be decided on points, concludes on June 7 at Foxboro Stadium in Foxboro, Massachusetts, with Portugal taking on Ireland.

Matches will also be played at Soldier Field in Chicago and the Yale Bowl in New Haven, Connecticut, where Portugal will play its first match ever in the United States on May 31 against Italy.

U.S. Bobsled President Suspended

NEW YORK (NYT) — The turmoil that has engulfed the U.S. Bobsled Federation for several years continued Tuesday when the board of directors suspended its chairman, Neil Richardson.

By a vote of 9-3, Richardson was forced to step aside because of his role in the recent dispute between the federation and four athletes — Edwin Moses, Willie Gault, Greg Harrell and Brian Shimer — who had filed a grievance asserting they had been denied a fair chance to make the Albertville Olympics as a four-man team.

For the Record Hubert Auriol of France clinched a victory Wednesday in the automobile section of the Paris-Capetown Rally, while countryman Stephan Peterhansel ensured first place in the motorcycle section.

The initial pool of 100 prospective jurors was summoned Tuesday for former heavy-weight champion Mike Tyson's trial on rape charges. The trial in Indianapolis, is to start Jan. 27.

Jockey Angel Cordero Jr., injured in a spill Sunday at Aqueduct, has had his spleen surgically removed but was in stable condition Wednesday in Long Island Jewish Hospital.

Kath Gilbertson, the offensive coordinator for undefeated and No. 2-ranked Washington, was hired as head football coach at the University of California.

Nelson Piquet, the three-time auto racing champion, said Tuesday he wasn't retiring, but that he wouldn't compete on the Formula One circuit this year unless he had a "competitive car."



HERE'S... WHO? — The mascot for the 1994 World Cup was introduced in New York, but FIFA said it had yet to be named.

Winners and Losers Seeking Salary Arbitration

By Murray Chass New York Times Service

NEW YORK — Barry Bonds, a two-time winner, and Doug Drabek, a two-time loser, are among the largest salary earners awarded in a hearing, were among 149 players who filed for salary arbitration Tuesday, the final day of the filing period.

No one had filed previously this year. Players and clubs will exchange figures on Friday, an act that is certain to establish records for highest salaries submitted by a player and a club.

With Bobby Bonilla having signed a contract averaging \$5.8 million a year and Danny Tartabull signing for \$5.1 million a year, players like Bonds, Ruben Sierra, Cecil Fielder and Barry Larkin are expected to approach that plateau of pay with the figures they submit.

Bonds, who has helped Pittsburgh win two consecutive National League East championships, may have to be more cautious with his strategy than he was the past two years. He tried for \$1.6 million in 1990 and \$2.25 million last year, but the Pirates prevailed both times, with salaries of \$850,000 and \$2.3 million.

Drabek, his teammate, won a \$1.1 million salary in 1990 and a record \$3.35 million a year ago over the Pirates' bids of \$750,000 and \$2.3 million. Mike Moore of Oakland is another two-time loser who filed. He lost to the Seattle Mariners in 1986 and in '88. He had yet to become a free agent in those years. He was eligible for arbitration this year because he was a free agent three years ago and must wait another two years before he can become a free agent again.

The Cincinnati Reds, with 12, had the most players file, followed by Atlanta with 10 and the Pirates, the New York Mets, Los Angeles and Kansas City with nine each. Minnesota's only remaining eligible player, David West, agreed Tuesday to a \$315,000 salary. That left Cleveland and Montreal with the fewest players who filed, two each.

In all, 10 players who earned \$2 million or more in 1991 filed for arbitration. They are Drabek, Bonds, Sierra, Larkin, David Cone, Greg Swindell, Mark McGwire, Cal Daniels, Mike Maddux and Randy Myers. Fielder earned "only" \$1.75 million, but he could flirt with the \$5 million level based on his major league-best home run production the last two seasons.

BOOKS

ANTI-AMERICANISM: Critiques at Home and Abroad, 1965-1990

By Paul Hollander. 515 pages. \$35. Oxford University Press Inc., 200 Madison Avenue, New York, N.Y. 10016.

Reviewed by Herbert Mitgang

AFTER plowing through the thickets of a dense and depressing sociological tract titled "Anti-Americanism," the only good news is that the new year has nowhere to go but up. It's an unwittingly anti-American book that is actually intended to be a defense of what the author considers to be the one true patriotic American way: his vision of a squeaky-clean, uncritical acceptance of the government and the country.

Paul Hollander, a professor of sociology at the University of Massachusetts and a fellow of the Russian Research Center at Harvard, subtitles his book "Critiques at Home and Abroad, 1965-1990." Nearly all of his criticism is directed against those people and institutions in the United States who come under his loose tar-brush label "left of center," but who really fail to run up the flag for his undisguised neoconservative cheerleading.

Among the scores of individuals he accuses of having "liberal values" and "well-worn left-of-center political attitudes" is Walter Cronkite. Walter Cronkite, the most trusted anchor in television history? Say it isn't so, professor! Not Uncle Walter!

What is Cronkite accused of? The author links him to disapproval of military action in Grenada and Tripoli, objection to "Star Wars" and for warning that "the real threat to democracy is... poverty." What's more, he says Cronkite has combined "the evaluation of the journalist's public role with a questionable equating of the left with opposition to authority and established institutions."

Similarly, the author finds television and movies delivering dangerous anti-American messages. He says it doesn't take much effort "to discern the outlines of the adversarial, left-of-center sensibility" in some broadcasts. His vigilant eye finds that certain Public Broadcasting Service documentaries have a "slanted socialist-realist style."

BRIDGE

By Alan Truscott

HONOR cards are more useful in a long suit than in a short and jacks are a particular problem in balanced hands. South's diamond jack is of limited value and the club jack is worthless. In the North hand the spade jack is of little value.

So it is hardly surprising that North-South reached six spades in the diagrammed deal. North's jump to four clubs after using Stayman was Gerber, asking for aces. This treatment needs agreement: Many would consider this bid a splinter, showing short clubs, and there are other interpretations.

In six spades South had to rely on one of two long shots. The technical long shot was to hope for a singleton heart king. However South preferred the psychological long shot. After the lead of the diamond ace and a diamond continuation she drew trumps and led the heart queen.

This was a Chinese finesse, and it succeeded when West failed to cover. Covering would have been easy if West had held the jack, ten or nine of hearts but he did not. In such positions West must worry about the possibility that South has three or four cards in the suit headed by the Q-J-9 and that East three or four cards including the ten. But that was impossible here. With eight cards in view in his own hand and the dummy West should have covered and defeated the slam.

Herbert Mitgang is on the staff of The New York Times.

PEANUTS

YES, MAAM... I GAVE HIM SOME CRAYONS AND A COLORING BOOK... HE LOVES TO COLOR...

LET'S SEE... I NEVER CAN REMEMBER...

DO YOU COLOR INSIDE THE LINES OR OUTSIDE THE LINES?

BEETLE BAILEY

I'VE ALWAYS BEEN VERY SENSITIVE ABOUT MY HEIGHT

THAT'S WHY IT HURTS WHEN THEY CALL ME THE "CAMP SHRINK"

...AND ANOTHER THING...

HE'S TRYING SELF-ANALYSIS

DR. BONKUS PSYCHIATRIST

CALVIN AND HOBBS

CALVIN, I HOPE YOU TOOK YOUR BOOTS OFF BEFORE YOU WALKED ACROSS THE FLOOR

OF COURSE I DID! YOU DON'T NEED TO TELL ME ALL THE TIME!

WIZARD OF ID

WELL, I HOPE HE'S HAPPY NOW

WHAT DO YOU MEAN?

HE ALWAYS WANTED A LITTLE PIECE OF BOTTOM LAND

REX MORGAN

HOW IS MELISSA FEELING NOW, MS. WHITWORTH?

DOONESBURY

BOOPSE, YOURS BEING ME... BUT I'VE MISSED SIGAUL'S HEAD...

HELL, I HATE YOU FROM NOW ON! EACH TIME I SEE YOU, YOU'RE BEING REALITY!

THERE YOU GO.

DENNIS THE MENACE

SOME SWEET YOUNG THING SAYS SHE WANTS TO TALK TO HER BOYFRIEND.

CUT THAT STUFF OUT, MARGARET!

BLONDIE

AM, MONSIEUR DITHERS, WELCOME!

IT'S SO GOOD TO SEE YOU AGAIN!

BOY, HE REALLY GIVES YOU THE LOCAL TREATMENT!

THAT'S FOR SURE

IMAGINE HOW HE'D ACT IF I EVER TIPPED HIM

GARFIELD

FINALLY... A NICE, PEACEFUL MEAL.

CRUNCH! HAVE YOU SEEN MY LUCKY ROCK?

JUMBLE

THAT SCRAMBLED WORD GAME BY HERB ARNOLD AND BOB LEO

Unscramble these four Jumbles. One letter to each square to form four ordinary words.

BIASS

INAFI

NARTOM

TAKEGS

Answer here: \_\_\_\_\_ IT (Answers tomorrow)

Yesterday's Jumbles: JADED SOOTY FUMBLE THROXY Answer: What you should do before an important party—REFLECT ON IT!



SPORTS

Bills' Linebackers Buck the Statistics

By Mike Freeman
Washington Post Service
ORCHARD PARK, New York — The Buffalo Bills want it known that statistics don't tell the whole story. Just ask linebacker Cornelius Bennett, a member of the field who is a symbol of how Buffalo's linebacking corps has dominated opposing teams recently.

Darryl is the type of guy who is more or less a general out there," said Bailey whose father, an army sergeant, fought in the Gulf War. And Bennett, he said, "is maybe a colonel out there or something. They both use their leadership, but Darryl is probably the head man out there. And Shane is like a spy type of guy where he goes out there and 'Wham!' he comes up and he knocks you down before you know he's there. I guess I'm the up-and-coming soldier. The soldier that is still training and still learning."

Giants Agree On San Jose

The Associated Press
SAN JOSE, California — After years of wooing the San Francisco Giants, officials of the city of San Jose announced Wednesday an agreement in principle to bring the major league baseball team south.

The Bills don't have impressive statistics, one of the reasons why they dislike them. During the regular season the Bills gave up an average of almost 20 points and 341 yards a game (127 rushing), ranking them near the bottom of the NFL. The first eight games — with defensive lineman Bruce Smith and nose tackle Jeff Wright out with injuries — Buffalo's defense gave up 21.2 points a game.



John McEnroe got a charge out of defeating the No. 21-ranked Russian Andrei Cherkasov, 7-5, 3-6, 6-4, 6-3, after feuding with the umpire about line calls in the first game.

Cool McEnroe Sets Up Showdown With Becker

The Associated Press
MELBOURNE — John McEnroe got his complaints out of the way early Wednesday, tamed his temper and survived a three-hour duel in the Australian Open to set up a third-round match against Boris Becker, the defending champion.

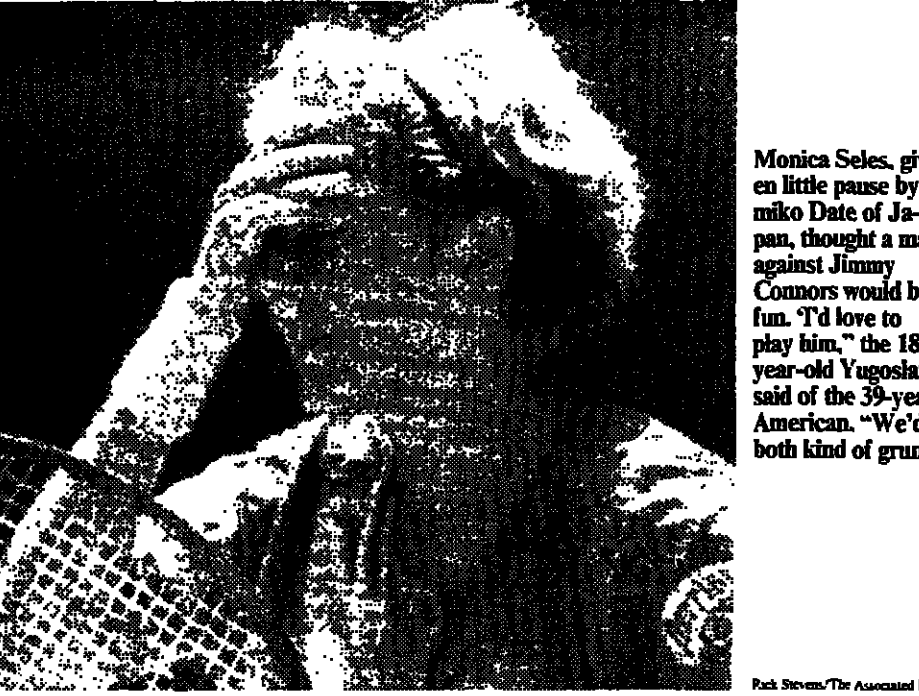
up to 110 degrees Fahrenheit (43 degrees centigrade) earlier in the day and glided closer to their second straight Grand Slam titles. Taking some speed off his serve to save his sore arm, Edberg, the U.S. Open champion, beat Claudio Mezzadri, 6-1, 6-2, 6-1.

"He looked a little bit slow, so today was the night day for me to beat him," said Wahlgren, who beat No. 20 Brad Gilbert in the first round. "It's not often you get a chance to beat the very good guys."

A Seles-Connors Tennis Match? 'Love to,' She Says, for Equal Pay

Compiled by Our Staff From Dispatches
MELBOURNE — Monica Seles, the world's top ranked women's player, said Wednesday, in what was immediately billed as another "Battle of the Sexes," that she was all in favor of a tennis showdown with the veteran men's star, Jimmy Connors.

1991 U.S. Open hero, Connors, now 39, Seles said with a broad smile. "I'd love to play him. We'd both kind of grunt — it would be a high level of play and fun."



Monica Seles, given little pause by Kimiko Date of Japan, thought a match against Jimmy Connors would be fun. 'I'd love to play him,' the 18-year-old Yugoslav said of the 39-year-old American. 'We'd both kind of grunt.'

SCOREBOARD

Table with columns for Basketball (NBA Standings, Eastern Conference, Western Conference) and Hockey (NHL Standings, Campbell Conference, Patrick Division).

Major College Scores

Table listing scores for various college sports including basketball, football, and soccer.

CRICKET

Table listing cricket match results, including three-day matches and one-day internationals.

ESPORTS & GUIDES

Table listing travel agencies and services for various international destinations.

Women's World Cup

Wednesday's results in the final slalom at Hinterstoder, Austria: 2. Petra Kronberger, Austria, 2:05.1; 3. Silvana Tschurtschke, Austria, 2:05.2; 4. Daniela Reiter, Austria, 2:05.3; 5. Pernilla Wiberg, Sweden, 2:05.4; 6. Ulrika Moller, Austria, 2:05.5; 7. Michela Gisin, Germany, 2:05.6; 8. Katarina Schwaiger, Germany, 2:05.7; 9. Eva Twardovec, Austria, 2:05.8; 10. Christelle Goussard, France, 2:05.9.

Merle Wins Giant Slalom, Schneider Retakes Lead

HINTERSTODER, Austria — Carole Merle of France served notice of her Olympic gold medal aspirations next month with a convincing victory Wednesday in a World Cup giant slalom.

ESORTS & GUIDES section featuring advertisements for Mercedes, Mayfair, Debutante, and Diplomat services.

INTERNATIONAL CLASSIFIED section featuring advertisements for travel agencies like London Brazilian, Zurich Susan, and Geneva World Class.

ESORTS & GUIDES section featuring advertisements for travel agencies like Amsterdam Liberty, London Brazil, and Zurich Susan.

ESORTS & GUIDES section featuring advertisements for travel agencies like London Brazil, Zurich Susan, and Geneva World Class.

ESORTS & GUIDES section featuring advertisements for travel agencies like London Brazil, Zurich Susan, and Geneva World Class.

AT&T USA Direct Service advertisement featuring a table of international numbers and contact information.



